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ABSTRACT

This document is a transcript of the eighth hearing of the United States House Committee on Veterans Affairs covering plans for a new GI education program for the all-volunteer military (development of House Resolution 1400). Testimony was given by U.S. Representative Duncan Hunter, Representative Robert W. Edgar (subcommittee chairman), and representatives of the military services, especially recruiters, career counselors, and veterans' affairs specialists. All testimony centered on the desirability of enactment of a new GI bill, both for recruitment of qualified applicants and for retention of current enlistees. Persons testifying noted that although recruiting numbers are presently up, the probable cause for this is the state of the economy, especially high unemployment. When these conditions are corrected, the witnesses said, the GI Bill would become a very strong recruiting and retention tool for the volunteer military. The witnesses also noted that there is presently some inequity in how bonuses for enlistment are paid, depending on the re-enlistee's possession of critical skills. They stated that educational benefits should be accrued across the board, available for everyone who has served in the military. Witnesses also said there is a necessity to extend the expiration date for the Vietnam Veterans' education bonus bill so that these veterans do not have to choose between leaving the service and losing their educational benefits. (KC)

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ED220686

PLANS FOR A NEW GI EDUCATION PROGRAM FOR THE ALL-VOLUNTEER MILITARY

CE

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

NINETY-SEVENTH CONGRESS

SECOND SESSION

MARCH 31, 1982

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PLANS FOR A NEW GI EDUCATION PROGRAM FOR THE ALL-VOLUNTEER MILITARY

WEDNESDAY, MARCH 31, 1982

House of Representatives,
Committee on Veterans' Affairs,
Subcommittee on Education, Training, and Employment,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9 a.m., in room 334, Cannon House Office Building, Hon. Robert W. Edgar (chairman of the subcommittee) presiding.

Members present: Representatives Edgar, Dowdy, and Siljander.

OPENING STATEMENT OF CHAIRMAN EDGAR

Mr. **Edgar**. The Subcommittee on Education, Training, and Employment will come to order.

I have a short opening statement I would like to read. Then we will hear from the Honorable Duncan Hunter, who will testify on H.R. 1400 and other educational bills. Then we will receive testimony from four panels.

We think that the hearing this morning can go fairly rapidly, but we also feel very strongly that this is an important hearing, probably the last in a long series of formal hearings to determine the need and the value of a GI educational program.

This is the eighth formal hearing of the House Committee on Veterans' Affairs and its Subcommittee on Education, Training, and Employment scheduled to review the plans for a new GI education program for the all-volunteer military.

Last year the committee amended and reported H.R. 1400, "The Veterans' Educational Assistance Act of 1981," originally introduced by the chairman of the full committee, Congressman "Sonny" Montgomery.

Our decision to develop H.R. 1400 was based on the recommendation of the President of the United States, Ronald Reagan, who had campaigned on the promise of a restoration of the GI bill.

Passage of the legislation was encouraged by Acting Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics, Robert A. Stone, who stated before our subcommittee on March 19, 1981, the following:

> Let me assure this committee that the Department of Defense is committed to the development and implementation of an effective educational incentives program for military personnel. Both President Reagan and Secretary Weinberger have made this commitment publicly.

The Chief of Staff of the U.S. Army, Gen. Edward C. Meyer, gave his strong support for a new program, very similar in scope to H.R. 1400.

The manpower chiefs of the uniformed services, two of whom are here again today, described the utter failure of the contributory education program, "The Veterans' Educational Assistance Program," VEAP, which was thrown together to replace the Vietnam-era GI bill in 1976.

They called for a new GI bill with meaningful benefits that would translate into a valuable recruitment and retention incentive for all-volunteer military service.

Veterans' organizations, military organizations, and the educational community all endorsed the proposal as an investment in the soldier and an investment in the citizen.

But our most valuable testimony came from field hearings. Well over 100 active duty personnel from all the services expressed their deep frustration with the failure of VEAP, and recruiters and career counselors told us tales of the dangers of a Rube Goldberg make-do program that few understood and even fewer would actually benefit from.

They said to us: "Give us the tools, and we can build a quality defense force that represents the true cross section of American youth. We need to get more out of serving our country than just a paycheck and a slap on the back. Give us a GI bill. Make it simple, easy for recruiters to explain and parents and recruits to understand. Make it equitable, but above all, make it permanent. It is time to stop switching signals on the All-Volunteer Force."

So we reported H.R. 1400, with the continuing assurance from the Department of Defense that they, too, would bring a proposal for a new educational assistance program to Capitol Hill.

Despite these assurances, Dr. Lawrence Korb, Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, came before our subcommittee with no recommendation on March 11. I must express my own frustration and deep concern over this action. Once again, the signal switch has been thrown on the All Volunteer Force.

This action by the Department of Defense was made, as I understand it, primarily by budget considerations, despite the fact that funding for the program either already exists through existing sources or could be available, but the Department of Defense played a game of budget blackmail with the services saying:

> We know you want the new GI bill. If you want it that bad, you are going to have to pay for it. You are going to have to pay for it yourselves, and we are not going to let you ask for any more money to fund it even in the out-years.

I think that kind of statement really speaks for itself. There was not much motivation there, but we can work out the funding problems, I believe, if we get cooperation from this committee and the Armed Services Committee.

The Department of Defense's position was also excused because of recent, positive recruiting trends for the Armed Forces which stem not from the value of any educational program, but from the highest unemployment rates in decades. Evidence will show that these trends are only temporary. Hopefully, the economy will get better. Unfortunately, the present, outdated education program will not.

I do not think you should wait until it rains to fix the roof, and hopefully, we will start fixing the roof again this morning.

We have as our first witness Hon. Duncan Hunter, Member of the House of Representatives.

Duncan, we are pleased to have you here this morning, and we ask you to give us your statement, summarize it in any way you wish. Your full statement will be made a part of the record.

STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. **Hunter**. Thank you, Mr. Chairman. I appreciate the opportunity to testify before the subcommittee today. I highly commend this committee for its continued interest in providing educational benefits for military personnel.

As you know, Mr. Chairman, 3 weeks ago the Department of Defense testified before a joint hearing of this subcommittee and Military Personnel and Compensation Subcommittee of the Armed Services Committee, and in that hearing, they declined to endorse a new GI bill, citing improved recruitment statistics and the cost of the program.

They proposed to continue the current VEAP program with a supplemental or kicker option through fiscal year 1983.

I am here this morning, Mr. Chairman, to tell you that despite the Defense Department's position, I am still in favor of a new GI bill, and I continue to strongly support H.R. 1400.

I am not going to go into all the reasons for my support, since I have made that position known in the past. I will just mention a couple of things which struck me as I listened to the Defense Department testify at the joint hearing several weeks ago.

First, when we talk of a new GI bill, we are talking of a program that is going to have a major impact on military manpower for the next decade. DOD has taken a short-term view of the situation, which is essentially a wait-and-see attitude. They want to put off consideration of a new GI bill for at least a year.

However, I think the time to act is right now—1 or 2 years of good recruiting statistics does not necessarily solve the manpower shortage that we have incurred over the last decade, and it does not address the manpower needs for the next decade. We should act now to address the long-term situation.

Second, I do not think DOD's proposals do much to affect the quality of life of the military member. It has been said that one way to recruit and retain quality personnel is to treat the military member as a first-class citizen, and I believe that to be a very commendable attitude, and I am committed to doing everything that I can to further that goal.

One thing that we can do to further both of these goals is to provide an educational benefit to the serviceman. I have said this before, and I repeat now, that the greatest thing a young person can give to the Nation is military service, and the greatest thing that the Nation can give to its young people is an education.

I know, and I am sure you agree, that VEAP does not, and will not, add to the quality of life or make the service member feel like a first-class citizen.

A cash-bonus program, while it may or may not be an efficient, cost-effective method for recruiting and retaining high-quality personnel, just does not add much to the quality of life. It may make the service member feel good to have a big chunk of cash in his pocket, but we all know that it may be only a very temporary thing.

An education is something that will have a lifelong impact and will do more than anything else to improve the quality of life of that service member.

There is one thing about the DOD's position that was expressed and manifested in that hearing that I commend, and I would like to bring it to your attention, and that very simply is your proposal to extend the 1989 limiting date on the current GI bill until 10 years after an eligible member leaves the service.

I have heard testimony both from the DOD and from the Navy that the current limiting date is very important to them. Statistics show that 41 percent of third-term service members listed the 1989 deadline as the primary reason they were leaving the service, when asked.

I think it is clear that the 1989 deadline is a serious drain on military manpower. As each month goes by, we are losing highly trained, experienced personnel. This drain is serious; it is occurring now; and it is seriously affecting our military readiness.

While I realize that a new GI bill will take care of this situation, and I will continue to press for prompt passage of a new bill, we simply cannot wait to see if we are going to get a new bill. I would hope that the committee sees the urgency of the situation, and I hope we can work together to find a solution to this problem as soon as possible.

Mr. Chairman, just very briefly, as you know, I had a GI bill forum in San Diego last year, and we had 39 witnesses who represented thousands of military people, primarily Navy people in the San Diego community, and they took polls and had discussions and bull sessions, and they came up with a number of ideas concerning the GI bill.

I would like to very briefly recount several of their statements concerning the VEAP program and the GI bill.

What motivated one person that I did meet, who participated in VEAP, I asked, "What motivated you to participate in the VEAP program, the voluntary program?" That was personnelman Jose Valdez. His answer was, "It's better than nothing."

My next question to another gentleman: "How about GI benefits for critical skills?"

The answer: "I have a friend who is a fire control technician due to re-enlist. He'll get a $14,000 bonus. If I re-enlist, I'll be lucky to get a good set of orders." I think that this depicts a serious problem that we have in the services right now, and that is the disparity of treatment in skills, and I think that goes a long way to promoting the idea that we are creating some type of a mercenary force.

Along with that is the notion that we are becoming so complicated that it is very difficult for a young service member or their family to be able to tell what they are going to get if this young person joins the service, and in my estimation, they should be able to analyze the benefits that are available without having to retain an attorney.

As you know, the GI bill is something that is known to most people in the country, that the family can sit around the breakfast table, and they can discuss it. They will know what they are going to get. They are going to know that they will not have to be in what is considered a critical skill to be able to receive those benefits, and I think that is important.

Another point that was skipped over by the DOD several weeks ago that I think is important to remember is the fact that right now, I believe, we are spending about $1.4 billion in recruiting or in advertising to support this Volunteer Force.

In my estimation, if we had a GI bill which has a reputation and which is believed to be solid by the American public, we could substantially reduce that advertising. That was not figured in or was not considered by Mr. Korb in his statement.

Another statistic that I thought was important was the recent statistic that was released by the Secretary of the Navy to the effect that they have saved now in pilot training some $450 billion by improving retention in the last year, and that brings up the fact that we have investments, training investments, in our skilled personnel anywhere from around $100,000 for the average petty officer to close to $1 million for our pilots.

Again, in my estimation, the GI bill, and particularly this bill with its transferability provisions, would greatly enhance that retention. It would more than pay for itself in the training investment dollars that are saved.

Let me give you just a couple more statements by some of the people that attended this forum on March 21, 1981.

These are direct quotes: "The transferability option is of the greatest importance to me as a retention incentive." That was a chief petty officer.

"Let's face it. Education is the most important proposition you can offer a person in today's world. To live better, you must be better educated," a seaman.

"A participatory education program was a mistake, and the GI bill should be brought back ASAP," a petty officer.

"Just bring back the GI bill we had in the first place," a sergeant major, U.S. Marine Corps.

"If you want better quality personnel in the military, bring back the GI bill. It's as simple as that," a petty officer.

The statements go on and on, Mr. Chairman, and I would simply close by saying that it was the overwhelming conclusion of all of the witnesses who participated, including a reenlistment specialist, that the VEAP program is not working, and that a GI bill, and particularly a GI bill with transferability features, would be a great tool in aiding retention and recruiting.

Thank you, Mr. Chairman.

[The prepared statement of Congressman Hunter appears on p. 55.]

Mr. **Edgar**. Thank you very much for your taking the time today to come and, once again, articulate your strong feelings about a new GI bill. May I invite you, if you have the time, to stay and listen to some of our panels.

I think you make a wise point about the training savings, if, in fact, we eliminated VEAP and ultra-VEAP and if, in fact, we put in place a GI bill that perhaps would not necessitate expending what the Defense Department estimated was about a $3.3 billion price tag to lift the 1989 delimiting date.

We did some research and discovered that the total cost of H.R. 1400 through 1990 will cost less than lifting the delimiting date.

If we add to that the training savings and savings in all these other programs, I think we have the funds available, with a little help from our friends, to put in place a long-term, consistent, equitable, permanent GI education program for retention and recruitment purposes. You have been very effective in articulating that point both last year and this year.

Hopefully, within the next 6 weeks we can make sure that it becomes a reality, at least through the House.

Mr. **Hunter**. Thank you, Mr. Chairman.

Mr. Chairman, you mentioned one point, one further point I would like to bring up that you have touched on. To recruit, and train, and maintain one boiler technician in the Navy through 14 years, we must recruit and train 16 people to get one of them to a 14-year level. To get one operation specialist to a 14-year level, we must recruit and train 24 individuals, and to get one electronics technician to a 14-year level, we must recruit and train 15 individuals.

So I think that the potential dollars that we could save through H.R. 1400, which has made the GI bill a retention tool, would be very beneficial to the Government and would offset the cost that is projected.

Thank you very much.

Mr. **Edgar**. Thank you for your statement.

I would like to call now our first panel of military personnel: Lt. Gen. Maxwell Thurman, Vice Adm. Lando Zech, Jr., Lt. Gen. E. J. Bronars, Maj. Gen. William R. Usher, and Adm. R. P. Cueronni.

Gentlemen, we appreciate your coming this morning.

Before you begin your testimony, I would like to apologize to each of you and to each of your services. Recently, we held a joint hearing with the Armed Services Committee, and many of you and your counterparts took a great deal of time and effort to come and sit patiently behind a civilian witness as he testified for the Department of Defense. It was my hope that we would have the time and the opportunity to question each of you on your personal feelings, as well as your professional feelings, on how an educational program might help or hurt your particular services.

We did not have the opportunity at that time to question you, and I apologize for taking your time and your energies, and I really appreciate your taking the time to be there.

One aspect, even though it was an inconvenience to some of you, you had a chance to hear Dr. Korb's statement in total and some of the questions that were asked of him. As we begin today, and move into your statements this morning, I hope that you will reflect not only on the prepared remarks that you have, the comments that you want to make today, but also any questions that you would like to respond to of that previous hearing.

Now, let me begin by going down through each of the services and give you an opportunity to make an opening statement, if you like, and then we will move to questions.

Let's start with General Thurman.

STATEMENT OF LT. GEN. MAXWELL R. THURMAN, DEPUTY CHIEF OF STAFF FOR PERSONNEL, U.S. ARMY

General **Thurman**. Thank you, Mr. Chairman.

First of all, we appreciate the opportunity—I am sure that I speak for my colleagues—to speak before you, and second, on behalf of the men and women of the Armed Forces, we appreciate the extent to which the Congress has helped all of us in terms of passing the pay raises in the last 2 years, which have materially assisted our young men and women to stay with us.

I did not really have a prepared statement, but let me just summarize what I understand the current Department of Defense position is, and that is that they prefer to continue the VEAP with kickers through fiscal year 1983 and extend the GI bill delimiting date. Incidentally, the U.S. Army, with an end strength of about 785,000, has about 335,000 people on active duty who are eligible for the Vietnam-era GI bill. Most of these would be affected if the delimiting date is not taken care of.

Now, as the Army's recruiter for the last 2 years and now the DCSPER, one of the things that is essential is that we get a long-term educational incentive program that is not subject to the vagaries of year-by-year determination. There is a marketing approach in all of that. Currently we are on the market with the ultra-VEAP which, while doing very nicely this year, requires a separate marketing strategy.

When I call it the college education fund, the Army college education fund for the ultra-VEAP, it by no means represents a GI bill which is in the lexicon of every person of America.

As for my personal view, we need a GI bill, and many of the features of the H.R. 1400 are similar to the features that we perceive. I would just make a couple of comments about that.

The Army feels that there should be a provision for reservists, and that is currently not in the bill. The other main feature that we might disagree with on is officer enfranchisement, and in our case, because most of our officers come to us from the U.S. Military Academy or the ROTC and, therefore, the Government, in some way or another, has had a hand in educating them, and so we perceive that it may not be necessary for officers.

However, it is necessary for warrant officers who grow through the ranks as enlisted personnel before they become warrant officers.

So with that as a general notion, you have my personal view as to what we need, sir.

Mr. **Edgar**. Thank you very much for your candid statement. I have some specific questions for you, but I would like to give each of the services an opportunity to give at least an opening comment.

Vice Admiral Zech.

STATEMENT OF VICE ADM. LANDO W. ZECH, JR., DEPUTY CHIEF OF STAFF FOR NAVAL OPERATIONS, FOR MANPOWER, PERSONNEL, AND TRAINING, U.S. NAVY

Admiral **Zech**. Thank you, Mr. Chairman.

I do not have a formal statement.

I have testified before this committee previously, and our Navy position has not changed. Navy does support a noncontributory educational benefit program. We realize that, as I have heard you state before, Mr. Chairman, that patriotism should be rewarded. I believe that is a very fundamental issue that we are deliberating today, and I think that it shows your view of education as it applies to our country, as opposed to an education bill that might be specifically viewed as just a recruiting or even a retention enticement.

An education bill, in my view, is very important for our country. It is something that our country receives great benefit from and could certainly be viewed as one of the more significant benefits to our country, as well as to our military services.

In the Navy, we view the educational bill as an entitlement as opposed to what one could term a "force management" tool. In other words, we look upon the educational bill as one that should be universally applied to officers as well as enlisted.

Our officers do not all come from the Naval Academy or from ROTC units. Many of them come from our officer candidate program after having paid their way through college.

We believe that the educational bill should be a noncontributory bill and should be funded by the Veterans' Administration. We believe that provisions should be included in a GI bill which would encourage people to stay in the service rather than get out of the service. In other words, it should be properly structured to encourage reenlistment, as well as encourage initial recruitment.

We believe that a properly structured GI bill would be very beneficial for our country as well as for the military services.

When we have been asked this year to fund the bill ourselves, we have looked very carefully at this proposal, and we have concluded that in the short term, this year, we could not, in good conscience, fund the GI bill from the Navy resources that we have now.

On the other hand, for the future, looking at a declining market where we face essentially a 24-percent reduction in qualified males between now and 1994, and also the possibility of an improving economy, we see the need in the years ahead, and how many years ahead we are not sure, but we do see that in the years ahead there will undoubtedly be the necessity of bringing in the quality people we need from a great cross section of our country.

In order to do that, we believe that an educational bill would be a necessary and important part of our recruiting and retention effort.

I would conclude by saying again that we look at an educational bill as an entitlement, as something that is good for the country, as well as good for the services. In looking at it from that broad viewpoint, we believe it should be funded by our country and not taken out of Navy resources.

With that in mind, Mr. Chairman, we would support the GI bill. However, we would support VEAP for the short term during this coming year, if we have to fund the educational program.

I would close by saying that we believe, as you do, Mr. Chairman, that patriotism should be rewarded, and that a GI bill would be good for our country as well as for the military services.

Thank you, Mr. Chairman.

Mr. Edgar. Thank you very much for that statement.

Lieutenant General Bronars.

STATEMENT OF LT. GEN. E. J. BRONARS, DEPUTY CHIEF OF STAFF FOR MANPOWER, U.S. MARINE CORPS

General **Bronars**. I am pleased to be here, Mr. Chairman.

I do not have a prepared statement.

I believe the main approach to educational benefits that I heard Mr. Korb express was to use educational benefits as a means of managing the levels in certain skill areas, in particular those areas that are experiencing personnel shortages. That is a different approach than what we look for in a GI bill that is an entitlement.

We believe that the more narrow approach being taken by the Department of Defense will not expand the marketplace and a true GI bill, universally applied, would. We feel there are great benefits to be derived from a GI bill in terms of attracting the quality young men and women whom all of the services need to man our sophisticated weapons systems and equipment that will be fielded in the 1980's, and the demand for that quality will be greater and greater.

While the availability of quality young men and women graduating from the high schools will diminish substantially over these same years and, as you pointed out in your opening statement, when the economy improves, we would expect that the competition for this quality from industry will almost mandate that we have an attraction such as a true GI bill educational benefit package that would influence young people to come in the military to serve their country.

We like many of the provisions of H.R 1400 because it not only provides an incentive for enlisting but also provides an inducement for remaining on active duty and, indeed, encourages an individual to make the military a career. We like all of those provisions, and we think that the thrust of H.R. 1400 would provide the necessary support for the All Volunteer Force that we feel will be needed in the 1980's.

Thank you, Mr. Chairman.

Mr. Edgar. Thank you for that very good statement.

Major General Usher.

STATEMENT OF MAJ. GEN. WILLIAM R. USHER, DIRECTOR OF PERSONNEL PLANS, U.S. AIR FORCE

General **Usher**. Mr. Chairman, I appreciate the opportunity to appear before you this morning on behalf of the Air Force.

I want to thank you on behalf of all the men and women in the Air Force for your support for the educational benefit system.

Like the other witnesses, I do not have a prepared statement, but I would like to make a few introductory remarks.

The Air Force feels strongly that we need a new educational assistance program to support the All Volunteer Force over the long haul, both in pursuit of recruiting and career retention objectives.

As my boss, General Iosue pointed out when he testified before this committee last year, if you look down the road in the 1980's, we are expanding the size of the Air Force. The other services are expanding. The technological content of the Air Force is increasing. We expect more competition for critical skills from private industry, and as pointed out by General Bronars, the youth cohort from which we recruit is declining out through the remainder of this decade.

So sustaining a quality All Volunteer Force is going to be a tougher proposition, and we think that a sound, constant, predictable, understandable educational benefit program is going to be very important to sustaining that quality that we need to provide the combat capability of our Armed Forces.

In the short term, it is true that we are meeting our recruiting and retention objectives quite well, thanks to the help of the Congress in that regard, but also we have everything going for us. Unemployment is high. In our unique idiom, airline hiring is way down. We have had the pay raises we've mentioned, and of course, there has been increased national awareness of the importance of our Armed Forces.

But those trends, I should point out, could change very quickly, and as you so aptly put it, you do not fix the roof when it is raining. You do that in fair weather so that you are ready for the storms ahead.

But given the guidelines that were placed on us by OSD, where we were asked to fund any program that we desired out of current resources, we just felt that the programs that we had laboriously put together by trading off within our own budget, were needed programs and ones that we could not trade away in the short term, and therefore, we felt very strongly that we could not go ahead at this time and fund such a program out of our own resources.

I think our concern also stems from another two points. First of all, we felt that an infinitely variable, by skill, by service, by year kind of program would be very difficult for potential recruits, as well as people already on board, to understand and comprehend. It would be very difficult to administer because, of course, the payout years, if you will, exceed 30.

Further, we thought it missed the point, as pointed out by other witnesses, that we were not really after a force management tool here. We were after a tool that gave us a firm foundation, an underpinning, and felt it very important that at least most aspects of the program be constant and common among the services.

We believe the basic benefits should be noncontributory and believe there ought to be a second tier, as well as transferability for purposes of retaining highly skilled, costly trained individuals, and we feel very strongly, in the case of the Air Force, that officers should be covered. We have basically three reasons.

First of all, in the Air Force, it is our officers who primarily carry the fight to the enemy in the first place, and for reasons of equity, we believe that they must be included.

Second, while they serve in the Air Force, they sometimes serve in skills such as weapons controllers, missilemen, where they acquire skills that are not easily transferable to the civilian sector when they do leave.

Third, we also get many of our officers from other than ROTC and the Academy, and some of those degrees which they acquire are perishable, and they, too, have in many cases a problem in making the transition back to civilian life.

We think the payback from a program such as this would be very considerable to society as a whole, and we also think there would be some internal offset in terms of better quality, lower attrition, and so forth.

So we think the time is now to put the structure on the books at least, to maintain a quality AVF over the coming decade.

Mr. **Edgar**. Admiral Cueronni.

STATEMENT OF ADM. R. P. CUERONNI, CHIEF OF PERSONNEL, U.S. COAST GUARD

Admiral **Cueronni**. Mr. Chairman, thank you very much for inviting the Coast Guard to appear before you this morning.

I think I can very succinctly put our comments on the floor. We think the bill is great. We would like to have it, but the simple fact is we cannot afford it.

I speak now from my own personal standpoint. I think I would support everything the gentlemen at the table have said. We would like to have a GI bill, one that is simple, easy to administer, one that is noncontributory, but if we cannot have that, we would like to see the GI bill extended beyond 1989, and as a last resort, we would support VEAP.

Thank you, sir.

Mr. **Edgar**. Thank you very much for your very strong statements.

I wish we had a group of sergeant-at-arms that could go out and get Mr. Korb and Mr. Weinberger and a number of other people to come and to hear your statements.

I am a bit confused. We had Mr. Korb come and give a very articulate statement, and the bottom line of his statement was that the Department of Defense does not want a GI bill this year.

You heard Mr. Weinberger say that it makes sense to have a GI bill, and we have many quotes from the President of the United States, Ronald Reagan, in his strong support for education as an incentive for recruitment and retention.

We have over 125 Members of the House and many Members of the Senate who have cosigned legislation to support a GI bill, and we have all 5 of you coming in and saying, if I can summarize each of your statements, to the question, do we need a GI bill, the answer is yes. To the other question, can we afford to pay for it under the rules and regulations that the Department of Defense has requested, there is some hesitancy. Probably the answer is no to that question.

I fantacize on the MX missile if we had to pay for it out of petty cash or even the M-1 tank, if we had to go and ask the question, can we afford that. What we can afford, I think what I heard at least some of the people out in the field and the recruiters saying is that we need a simple, permanent, understandable education entitlement not only for recruitment and retention purposes, but to some degree for strategic purposes. You buy new equipment to make sure that the all volunteer military has that equipment then you need quality personnel to service that equipment.

Would any of you disagree with that concern or have any comments about the value of highly educated and highly qualified personnel to run some of the sophisticated equipment that we are funding within the service?

Admiral **Zech**. I would be pleased to respond, Mr. Chairman, if I may.

Because the Navy has had a unique problem in the past few years regarding a shortage of petty officers, which you have heard about before, and as we look to the future and see the achievements we have made in the past year with the support of Congress, we really made a rather remarkable turnaround in our retention efforts.

We see our retention going up in all areas which gives us the confidence that we can indeed man our Navy of the future. We can, at the same time, improve readiness in the fleet as we are growing our Navy.

However, we are well aware of the fact that our Navy is getting more sophisticated and more technical, and we do foresee the need for more technical people in our Navy in the future. Therefore, it is necessary that we take initiatives to retain these highly trained people.

This is why the Navy is also very interested in the extension of the 1989 date. Petty officers that we have in the Navy, some 200,000 of them now, are eligible for that bill and do put the loss of the GI bill very high on their list of concerns that influence their decision to reenlist or not.

These are the very technical people that we are talking about who are interested in education, who believe in education, and we foresee in the future—I am looking 3 and 4 to 5, 10, 15 years ahead now—that as our Navy gets more technical, as we need to put more technical people into our Navy and into our ships, aircraft and weapons systems, that the Navy will need greater numbers of high quality people to come in the Navy and remain in our Navy. Certainly an education bill provides the incentive to build an increasingly sophisticated and quality Navy of the future.

Mr. **Edgar**. Thank you very much.

General Thurman.

General **Thurman**. Just one quick add-on to that.

Except for the last 5 years or so and a brief period at the end of the 1940's, every serviceman or woman who has entered the Armed Forces of America since July 31, 1940, has had some sort of educational stipend associated with the GI bill, and if you look at the language back in the 1966 act, the first time in that says "enhance and make more attractive service in the Armed Forces of the

United States." It does not talk about paying off the disamenity as the No. 1 principle from which we come.

Now, in the case of the Army, the Congress has legislated several controls for us which we are happy to live with. One is to make sure we get at least 65-percent high school diploma graduates per year in the male category, and the other is moving in 1983 down to not more than 20 percent of category IV.

I will tell you flat out, as long as the current educational loan grant program, running at anywhere from $5 to $6 billion based upon however the Congress acts on the current budget before it, the U.S. Army is going to have to have some sort of long-term educational program in order to make both its own and the congressional mandate. So we have to have that in the down-range view.

Mr. **Edgar**. Thank you.

Would anyone like to comment before me? I have some comments I would like to make.

General **Bronars**. We would probably all have to say that we do not necessarily need a GI bill today, but I think we would all agree that in the immediate future it will certainly be important to have one in place. We ought to move on it now.

I would like to give you some statistics which should remove any doubt as to the value of educational benefits or the attraction that educational benefits has for our youngsters. Our recruiting statistics show that in December 1976, the last month that an individual could be eligible for the Vietnam-era GI bill, the Marine Corps enlisted 7,209 young men. That was 3,075 above what we expected to enlist, and it turns out that it was 218 percent higher than the average monthly enlistment for the next 9 months and 46 percent higher than the average monthly enlistment for the previous 9 months. Tells me that young people were joining the services in December 1976 because they perceived that educational benefits of that nature provided great value to them as individuals.

Mr. **Edgar**. Let me ask all of you some specific questions, and let me start with General Thurman.

Can you tell me who made the decision that the services would have to fund the GI bill out of their own pockets?

General **Thurman**. We received on February 5, a request from the Deputy Secretary of Defense to reply by February 16, to Secretary Korb on a proposal under the accrual methodology and some other specific parameters that he specified if we wanted to fund the GI bill.

At the same instant, the budget had been put to bed for 1983. As a matter of fact, it was submitted to the Congress on February 8. So we had been in the process, at least in the Army, of wrestling the budget down, getting the final marks on that, putting the galleys together, having it printed for distribution on February 8.

It was almost an impossibility at the instant for us to go back and jerry-rig the programs to on an accrual basis come up with $300 million plus in the case of the Army for funding at that particular time.

Mr. **Edgar**. Did the services have any opportunity to offer an argument to this decision?

General **Thurman**. We sent back a paper in our case on February 25 that stated that given the ground rules, we could not afford it for 1983, although we preferred to go to a GI bill. We could not afford it under the circumstances given.

Mr. **Edgar.** We put $170 million in the VA budget for the first-year costs of H.R. 1400. Are you aware that that first-year cost does not kick in until 1985?

General **Thurman.** I am not aware of that, sir.

Mr. **Edgar.** Can you give me other instances where the Defense Department would have come to you under this similar kind of circumstance? Do you remember a time or an issue where they came to you like this?

General **Thurman.** I am relatively newly arrived in the Department since August 1. That is the first time that has occurred on my watch.

Mr. **Edgar.** You talked a little bit about the VEAP and the ultra-VEAP program in your opening statement. Let me ask you a specific question. Do you believe the super-VEAP will take the place of the GI bill this year or in the future?

General Thurman. I will call it the ultra-VEAP, since that is the $15,200 program we have for a 2-year term in service and the $20,100 program after 3 and 4 years. That will not do it in the long haul under the notion that we are separating on a preferential basis. Only those people who can get that are the upper scoring youngsters who score above 50 on the Armed Forces qualification test, and incidentally, that program will cost us in the long run $200 million a year, whereas the GI bill, under the notion of the H.R. 1400 with some minor modifications and even enfranchisement of reserves, the maximum rate is only $641 million for the U.S. Army. That includes the Reserves.

The delta value for the Army between the ultimate cost of the ultra-VEAP continuned on ad infinitum is a $400 million problem.

Mr. **Edgar.** This is a question I would like to ask each of you, but let me start with you, General Thurman.

Suppose money was not a problem and that the Congress of the United States funded adequately H.R. 1400, passed it in the House, passed it in the Senate, the President signed it into law as is, that is, with the five basic provisions, provision No. 1 being a loan forgiveness provision, provision No. 2 being $300 a month for 36 months for 3 years of service, a $600 benefit for the second tier of reenlistment benefit, if you serve 6 years you get $600, fourth, item of transferability, being able to transfer up to $600 a month for 36 months to your dependents if you stay beyond the 10th year and commit yourself to a career in the all-volunteer military, and finally at the discretion of the secretaries, the ability to have a leave of absence provision, those five major provisions.

Suppose that was passed out of the House, out of the Senate, on the President's desk, signed into law without amendment. What would be, first, the negative of that, and second, what would be the positive of that?

General Thurman. On the negative side, there is one feature that you did not recount that has been the Army position and was ratified, I guess, by the CBO studies, as well as the Rand Corp. studies. That is the discretion of the Secretary of the Defense Department, to provide for a kicker. It is universally considered that since the Army is. running No. 3 in the marketplace with American youth there has to be some sort of kicker for critical skills. That is, the major negative I find in the statement that you just issued, sir. If that was included, I could find no negatives in it. I could find only positives.

Mr. **Edgar**. Thank you.

We do have a kicker in our legislation. Do you think that the kicker as presently stated in the legislation is adequate.

General Thurman. No, you just did not recount that.

Mr. **Edgar**. I see.

General **Thurman**. I just wanted to make that clear.

The last comment I will make about that——

Mr. **Edgar**. My staff is kicking me because I did not include the kicker.

General **Thurman**. The last thing that I indicated in my opening comment was that we do favor the Reserve forces being a participant in the GI bill at a rate that is commensurate with the Reserve service, as opposed to the Active service, on a differential basis.

Mr. **Edgar**. Thank you.

Admiral Zech, before I get to your specific questions, let me ask you that same question so that it is fresh in our mind. If H.R. 1400 was passed as is, with all of its provisions, what would be the negative for the Navy and then what would be the positive?

Admiral **Zech**. The negative for the Navy would be only that we would prefer to see some minor modifications to the bill. If it were passed, we would prefer to see the second tier raised to 8 years instead of 6 years in order to provide people incentive to serve longer in order to get the maximum benefit, in other words, use that as a retention feature.

We would also prefer to see the transition feature modified for those covered by the Vietnam-era GI bill. As is, it penalizes those who transition because they have to serve considerably more time under H.R. 1400 to get the same benefit that they have already earned. They should have the option, in my view, to keep the provisions of the Vietnam-era bill beyond 1989.

The third provision is the kicker. We do not believe that kickers are appropriate in an education bill. We believe the education bill should be simple, universally applied, and not a tool to manage recruiting difficulties.

Mr. **Edgar**. May I interrupt you at that point?

Admiral **Zech**. Yes, sir.

Mr. **Edgar**. I respect your opinion and your position for your particular service. Am I hearing you right that you are saying that you do not believe that the kicker is necessary. But suppose the bill passed with a kicker. You would have the discretion not to use the kicker.

Admiral **Zech**. We appreciate that, and we would probably not use the kicker. If it were applied for the Army, we naturally would like the option of using it if we had to, but my point, Mr. Chairman, is that there are other ways to accommodate the situation that the kicker is designed for.

For example, bonuses. We believe that bonuses are the proper way to address the problem rather than the kicker in the GI bill, which applies only to specific people or to critical skills. It can be demoralizing for many people, as Mr. Hunter testified earlier. You heard him say that some young people recognize that their shipmates get a large bonus, and they are just hoping for a good set of orders.

Likewise, a good GI bill, we believe, should apply to shipmates equally.

On the positive side though, we believe that H.R. 1400, with the features that I have mentioned as possible exceptions, would be a very acceptable bill and would enhance readiness in our Navy.

We also, agree that some provision for reserves should be added to the bill, but we believe that it should be based on active service, and therefore provide some reduced benefit for reserves.

Mr. EDGAR. Now, the question that I have for you—you answered partially in the opening statement. From testimony last year, the subcommittee heard that the Navy is anticipating retention problems arising from termination of the Vietnam-era GI bill in 1989. Would you briefly describe the scope of the problem?

Admiral ZECH. Yes, sir. We have some 200,000 people who are eligible for the GI bill, the Vietnam-era GI bill, as it is now. In our surveys of people who are leaving the Navy, the interest in the GI bill has been climbing on the list of reasons for leaving, to the point that it is now one of the primary reasons that people are leaving the service.

Some of the petty officers we are losing are putting that down as their first and most important reason. Admiral Hayward visited Europe recently, and at one of the bases, he talked to seven petty officers who were leaving the Navy. Six of those seven put the GI bill as their top reason for leaving the service. In other words, they did not want to lose the benefits of the GI bill, and that was the reason they were leaving the service.

Mr. EDGAR. What I am hearing you say then is that educational benefits or the lack of them because of imperfect program or because of a termination date can either be an incentive or a disincentive for retention.

Admiral ZECH. That is correct. We have 100,000 of our approximately 500,000 people in the Navy now involved in some kind of off-duty education program. Our Navy people are very interested in education, and I might add, that, in my view, 100,000 is a significant number when you consider the long deployments of so many of our people which makes it difficult for them to avail themselves of these off-duty programs.

Educational benefits are of great interest to our young Navy people, and I believe that that figure alone, one-fifth of our people involved in these programs, is indicative of that interest.

Mr. EDGAR. One quick fix to your problem is to lift the delimiting date of 1989, and were you at all shocked at the fact that the administration, while rejecting a permanent, consistent GI bill, was quickly willing to support a $3.3 billion lifting of the 1989 delimiting date and simply say that the Defense Department would pick up that tab?

Admiral ZECH. Well, I think it was a recognition, Mr. Chairman, of the real need to extend that date. I believe that was the real reason. I think all the services feel quite similarly that the 1989 date should be extended.

Mr. **Edgar**. Thank you. I have additional questions. I would like to recognize at this point a very active Congressperson and a cosponsor of H.R. 1400, Congressman Siljander.

Mr. **Siljander**. Thank you, Mr. Chairman.

Are you saying that, in your opinion, one of the biggest reasons that servicemen and women are leaving is because of lack of educational benefits? Am I reading you correctly?

Admiral **Zech**. Not quite. We have a survey, and many reasons are put down for leaving the service. The lack of pay and long deployments lead the list, although I might say that, with the efforts of Congress, in the past year and a half, long deployments and lack of pay are now equal, rather than pay being so far in front.

On the list is the question of the GI bill. The survey asks, What are your reasons for leaving the service? Individuals then may indicate what level of importance is assigned to the GI bill in their decision to leave the service.

We track these surveys and watch the figures carefully, and what I am saying is that when considering the propensity to leave the service, the GI bill is climbing closer to the top of our survey for the reason that people leave the service. It indicates to us that the desire to take advantage of the Vietnam-era GI bill is a significant reason for people leaving the service.

What we are concerned about is that we have so many of them eligible for the bill now and that we do not want to lose those petty officers. So there is a real need to extend that date.

Mr. **Siljander**. Would the rest of you agree with that?

General **Thurman**. Let me just comment about that. In the Army, as I indicated, and perhaps you were not here, but we have about 335,000 people who are currently enfranchised with those rights. If the right disappears in 1989, then clearly the people who have those rights are going to take that into consideration with respect to whether or not they should get out in order to take advantage of that.

Each one of those cases is a person making an individual decision in his own view. That is a major downer at a time when we are trying to keep that long-term career person in.

General **Usher**. If I could make a point on that, Mr. Congressman, it has been asserted that we do not have to worry about that right now because if you subtract 4 years of college from 1989, that gives you 1985. Well, many of our people, I would say, indeed, most, could not afford to go to school full time. They would have to hold another job, which would probably extend their educational program over much more than 4 years. So they are beginning to look now about getting out, getting a job, and then taking advantage of the Vietnam-era GI bill.

Mr. **Edgar**. If the gentlemen would yield, one point that I think has to be underscored, and this is why the point is so important is that one of the arguments that Defense Department used in rejecting any educational bill was the cost, and yet the cost for extending the delimiting date for those presently in the service is $3.3 billion. If you add to that the cost of extending that delimiting date and making it fair and equitable to Vietnam-era veterans would be far in excess of the $3.3 billion, and the cost of H.R. 1400 well into the

1990's is less than the $3.3 billion that the Defense Department is willing to spend on this one benefit alone.

I think if we are going to be concerned about recruitment and retention, that pressure on retention proves that education is an incentive, and if it is going to cost us with the support of the Department of Defense, the lifting of that 1989 date, which the chairman of this committee and some others have not agreed to do, not myself particularly, but Congressman "Sonny" Montgomery, I think we really have to raise a question as to whether or not we can reform the educational benefits so that those persons will not feel the pressure to leave. They will have, under H.R 1400, the benefits if they stay that will be equal to or greater than those benefits because let's remember approximately for GI benefits under the Vietnam-era legislation, they would get $340 or $350 a month for 36 months. Under this program they would get $300 a month for 3 years of service, but most of these people would have 6 years of service and receive $600 a month, which is much more closely alined to the real cost of education. I think we ought to make that very clear to those who would rapidly jump on the lifting of the delimiting date as the answer to what I consider an important problem, but a very short-term answer to a very long-term problem.

You still get to the point where those who come in have a very flip-flop situation with VEAP, ultra-VEAP, super-VEAP, whatever. Excuse me for taking that time.

Mr. **Siljander**. I appreciate that.

Is there any way, or do you already have statistics from all the branches to substantiate some of these things?

General **Bronars**. I think it is a fact of life. The Marine Corps is probably reflective of the situation that exists in all the services. We have an end strength of 192,000; 65,000 Marines are eligible for the Vietnam-era GI bill.

Right now we are finding that a good percentage of them are thinking about getting out, and a greater percentage will be thinking about getting out as we get within a 4-year profile.

What we have to do to eliminate that problem is just to extend the authorization for taking advantage of the Vietnam-era GI bill. Alternatively, we could allow transferability into a new GI bill that has benefits equal to or better than, as Mr. Edgar pointed out, the one that they are giving up, and either approach would solve the problem equally well.

Mr. **Siljander**. I guess just to help substantiate our argument, are there statistics that you could supply to us, unless you already have, in each of the branches?

General **Thurman**. Yes, we run surveys, and we will be happy to run that survey——

Mr. **Siljander**. I think it would be helpful to me in arguing these points that you are presenting with some sort of empirical data to relate to the rest of our colleagues.

Thank you.

[The following was subsequently submitted for the record:]

Respondent. Approximately 65,000 active duty Marines are still eligible for the Vietnam Era G.I. Bill and are faced with the 1989 delimiting date. To determine the number that would leave the Marine Corps in order to use their G.I. Bill would require that a survey be conducted since no statistics are currently available on this subject. In order to procure valid results from the survey a period of 6–8 months would be required. This would allow time necessary to design, pretest, print, distribute, administer and analyze the survey.

Although no statistics exist, the Career Planning Branch at Headquarters Marine Corps has received strong indications from the field that there is concern over the 1989 delimiting date. Many career Marines are indicating they are in a difficult position of having to decide between their Marine Corps career and this vanishing educational opportunity. J. Walter Thompson did a study in 1980 titled "Who Stays/Who Leaves." In the study Marines were asked to list those factors which caused them to consider leaving the Marine Corps. Loss of the G.I. Bill because of the 1989 delimiting date was consistently cited as a "middle of the pack" reason.

Whether this problem will cause the Marine Corps to lose substantial numbers of careerists is not known, but it is an important consideration which all G.I. Bill eligible Marines face.

Admiral **Zech**. We have statistics, and will supply them to you.[1] We have calculated that to extend the 1989 date would cost $126 million for Navy. The costs start in 1990 at $16.6 million and decline each year out to the year 2015, where it would cost $1 million. The total would be $126 million for Navy.

Mr. **Siljander**. Thank you very much.

Mr. **Edgar**. We would like to talk to somebody who feels they can project to 2015, 2016. There are a number of questions we have about what it would look like then.

Congressman, do you have any additional questions? I have some specific questions.

Mr. **Siljander**. No.

Mr. **Edgar**. All right. General Bronars, I wonder if you might reflect on that other umbrella question that I asked about. Suppose we passed it as is. What would be the negatives and what would be the positives?

General **Bronars**. My response basically runs parallel to that already given.

One of the things you are trying to accomplish in this piece of legislation is to not only assist recruiting, but to influence retention. I do not have any problem with 1-month entitlement for 1 month of service, but I sort of lean to Admiral Zech's formula to retain personnel on towards 10 years of active service through the use of a second tier. He mentioned 8, and that seems like a reasonable number of years of service to expect from an individual to earn additional educational entitlements.

So, the basic entitlement was 1 year or 9 months of academic entitlement for each year of active service, a 4-year academic entitlement would commit the service member to 4 years of service.

The second tier would add $300 per month increasing the total entitlement to $600 a month. This would commit the individual to 8 years of service. The final feature, transferability, would influence personnel into considering the military a career.

As for some of the provisions you mentioned, I do not support the provision of providing additional educational assistance for critical skills. I feel that if we are going to make the GI bill an entitlement for serving the country, all individuals wearing the uniform, regardless of the skill area to which assigned, should receive comparable entitlements for comparable years of service.

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[1] Retained in committee files.

I do not support the educational leave of absence provision that you mentioned mainly because we already offer such programs to give individuals an opportunity to complete their degree education. If we made it an entitlement for everybody to use, it would have a disruptive, destabilizing effect on our force structure, something we cannot afford. I would rather see that provision taken out of the proposed legislation.

Mr. **Edgar**. You talked about it being destabilizing. Suppose it was passed over your objections. Could you survive?

General **Bronars**. Yes, sir. The Marine Corps can survive anything.

Mr. **Edgar**. I figured that. [Laughter.]

General **Bronars**. As far as having a general provision in the legislation for reserve entitlement, I agree with General Thurman that it is important that we have educational benefits identified for our Reserve programs. By the same token, the Marine Corps has been very successful in using the educational benefits already available as part of the selective reserve incentive program. As a consequence, I think that this legislation does not necessarily need this provision.

Maybe we will find over time that the application of a GI bill like H.R. 1400 will require expansion of the selective reserve incentive program to provide greater benefits. However, it is doing the job now and therefore, I see no necessity for having a reserve provision in H.R. 1400.

Mr. **Edgar**. If I could interrupt you just a moment, and this would be helpful to General Thurman as well, Congressman Sonny Montgomery intends to amend title 10, putting an amendment on this legislation, of the U.S. Code to provide that a person, both officer and enlisted, who is a high school graduate, who agrees to serve 6 years or longer in the Reserve or National Guard after September 30, 1981, will be entitled to $140 a month up to the maximum of 36 months. So it is a Reserve provision that he intends to offer to the legislation in the Armed Services Committee, and I am sure you will want to support that.

General **Thurman**. The Army would support that.

Mr. **Edgar**. Do you have additional thoughts that you would like to add at this point?

General **Thurman**. No, sir.

Mr. **Edgar**. You have been very clear in terms of your support, both here and on the Senate side and in each opportunity that you have had to speak on this issue. I am very grateful to you for articulating your views.

Let me turn now to the Air Force. General Usher, let me begin with the overall question again about the negatives for you if the bill were passed. What are the specific negatives that would be a problem, and then also what would be the positives?

General **Usher**. Let me start with the positives first and say that we think that it is a very good bill, and there is nothing in it that we could not live with. We think it is well structured the way it is.

Mr. **Edgar**. We will move to the next witness. [Laughter.]

General **Usher**. If we had our druthers, however, we have a few points that I think we need to consider, and they are as follows.

First of all, in the kicker area, we think we need to be conservative there. We probably fall halfway between the Army and the Navy and the Marines on this. Our reasoning goes like this. We recognize that there may be particular instances where you want to use a kicker, but it ought to be quite constrained because we, like the Navy and the Marine Corps, want to get across the point that this is a common, constant entitlement program, and it should not vary much between services.

The other reason we have is that we have difficulty when people want to distribute financial assistance either in terms of educational benefits or pay or what have you by skill because what may be a critical skill in peacetime may find itself turned upside down in wartime, and after all, that is what our purpose is here, to prepare to fight a war if we need to.

So what I am saying is in wartime all skills are critical to the accomplishment of the mission, and it is difficult to rationalize, at least for us, differentiating too much between them in peacetime. But, of course, we do have to recognize the marketplace, in part, at least.

My second point is that we would like to see some refinements to make it easier for conversion from an old program, from the Vietnam-era GI bill, to a new program rather than requiring everyone to re-earn the benefit.

There are many people who, for instance, could retire, but they choose to stay with us. We want them to stay with us, and if they reach then a mandatory retirement short of full qualification and thus would be denied the transferability feature, they may choose to leave now rather than later, and I think we need to take that into account.

Finally, I would like to say that we would like to see inservice use made possible after perhaps as little as a year of service because if that enhances the individual's productivity and contribution to the service, he or she might be happier and choose to stay with us longer.

Thank you.

Mr. EDGAR. Let me just ask you two additional questions. How should the program be funded?

General USHER. We think as a minimum the basic benefit that is afforded to all should be funded by the Veterans' Administration, particularly as a recognition for services rendered to the country, and I think you can rationalize the payback on it very well.

Regarding other features, such as the second tier and transferability, obviously our first preference would be to have those funded external to the Department of Defense, as well, but if they could not be, I think we could rationalize them being included in the DOD budget.

Mr. EDGAR. Thank you. Does the Air Force agree with the results of the educational assistance test program?

General USHER. We had quite a number of reservations about it. It demonstrated certain things, but I do not think we ought to get carried away with its results.

I think the two basic assertions have been that an educational assistance program, of course, helps the Army, and I am certain that it would, but also that a strong educational benefit for one service to the exclusion of the others would not hurt recruiting in the other services, and it is with that second one I find particular difficulty.

I have concern about the way the test was designed, how it was implemented, some of the variables that were associated with what was happening at that time, and how they were analyzed out of the problem, if you will, and the strength of the evidence that supports the conclusions drawn. I just do not think it is there. We just should not rely on it.

Mr. **Edgar**. Thank you.

I would like to ask unanimous consent to put in the record a statement that I received from David Schuckers, who is the director of government relations as Penn State University, and he shared a Comptroller General report on the new GI bill with Brian Clark, who is the coordinator for veterans' affairs at Penn State, and he put together an informal memo which, I think, illustrates the point that you are making, but also that we have heard from others, and I would like to read from this report, while we will put the whole statement in the record.

[The full statement of Mr. Schuckers appears on p. 58.]

Mr. **Edgar**. Listen to these just several paragraphs:

> The Comptroller General's report asserts that the Department of Defense test program was, although somewhat flawed, an indicator that some benefit in the form of increased enlistment could accrue as a result of the high cost educational program. They contend that the Department of Defense test program was well designed though under-publicized. In fact, based upon the Department of Defense's complete mishandling of the current VEAP program, I would maintain that any positive results from these three additional programs makes a strong case for the efficacy of educational benefits as a recruitment tool.
>
> Our experience is that virtually no one in the military establishment understands VEAP even though it has been in effect for five years. The recruiters misapprehend it and even those enlistees who opt for it can typically find no one to explain its intricacies. To include three even more complex options in select areas is to plan for failure.
>
> To say that these test programs were under-publicized is to say the least. When you sent me the authorizing legislation, I attempted for two months to find someone who knew anything about it. The VA knew nothing; the recruiters knew nothing; ROTC knew nothing. In frustration, I directly contacted the Chief of Manpower and Training for the Department of Defense, after failing to unearth anything at the educational headquarters of all of the services. I was told by this individual that the programs were in effect and that I probably had not heard of them because Pennsylvania was not a test area. The third largest recruiting State is excluded. How this jives with the Comptroller's report which states that the entire country was tested is beyond me.

The statement goes on to say the following:

> A large point in the Comptroller's argument is to study the issue for a couple of years and test further, particularly since the economy is having a "salutory" effect on enlistment. We should, they contend, be careful and not commit to a permanent GI Bill. This is, of course, absurd since:
>
> A. No GI Bill has ever been permanent. The time limit is discretionary by congressional fiat.
>
> B. What we have now, the VEAP program, is as permanent as any has been. VEAP participants have ten years to use their benefits. If we were to discontinue VEAP today, any participant would have ten years from discharge to use his benefits.
>
> VEAP has received little publicity and is terribly inadequate as an educational voucher. In spite of this, increasing numbers of vets are opting for it only to find upon discharge that $75 to $225 per month does not pay the freight.
>
> The arguments against a new GI Bill are weak. In light of the needs of the services, the proven effectiveness of educational benefits in recruiting high quality

youth, the elimination of general student aid by the Reaganites, and thus the more pressing need for an avenue of educational opportunity, the social benefits realized by an educable military and an educated citizenry, it is no wonder that H.R. 1400 had 123 signatures and nearly unanimous support.

Sorry for all the editorializing. I have seen too many veterans benefit by the GI Bill not to believe that it represents the best investment in national defense ever conceived.

I took the time to read that because Dr. Korb's statement before indicated that the VEAP and the super-VEAP or ultra-VEAP were super programs. I think there is at least some body of evidence and data to indicate that that may not be the case and that it may be time to stop the testing programs and get to the long-term program.

Let me ask Admiral Cueronni to answer that one question that all of you have, and then I have just a couple specific questions for the rest, and we then can move to our second panel.

Admiral **Cueronni**. Mr. Chairman, on the aspects of the positiveness of H.R. 1400, we like it in all respects. We like the fact that it is good for recruiting and retention and has the transferability clause.

On the negative side, we particularly have concern about the kicker. We would rather see something that is nondiscriminatory across the board, and let me just, as an example—we have been going through some rather trying times in my service, and we have had to take some actions which unfortunately have hurt our personnel, but we are not in the same—let me use the term "luxurious situation" that my colleagues are in.

One single factor that we are finding in our service is in the application of the selective reenlistment bonus, where it is on the basis of not performance, not particular rating or—I am sorry—but on the basis of a particular rating those critical skills are getting higher bonuses. That is the biggest source of frustration and irritation in our crew.

It is awfully difficult, and Admiral Zech alluded to this, awfully difficult on a ship when you are out, to say to a cook that an electronics technician or a fire control technician is more valuable than he is, and so we would like to see it nondiscriminatory.

Mr. **Edgar**. Thank you very much.

This question is for all of you, and the next two questions are actually for the record. I hope that you can submit this information.

I realize that you probably do not have this information with you, but could you all supply for the record a list of all current educational programs for active duty personnel and Reservists currently being funded by the Department of Defense, a breakdown of the cost of those programs both for fiscal year 1983 and projected cumulative costs down the road to 1994, much the same that we have costed out for H.R. 1400? We will make sure that the specific question is shared with you and your staff, and we would like that information provided for the record.

[The following was subsequently submitted for the record:]

Air Force Educational Programs

The following provides the projected AF expenditures for individually initiated education programs as requested. They include the AF Voluntary Education Program (Tuition Assistance), Veterans Educational Assistance Program (VEAP), and the Education Assistance Program for reservists. It should be noted that the costs projected for VEAP do not provide for the use of "kickers."

PROJECTED EXPENDITURES

[In millions of dollars]

	Fiscal year 1983	Fiscal year 1994 [1]
Voluntary education program	24.0	390.8
Veterans educational assistance program	1.1	54.2
Education assistance program (reservists)	.8	13.2

[1] Cumulative.

PRELIMINARY AIR FORCE EDUCATION COSTS

Projected Government Expenditures for Individual-initiated Education programs—Air Force.

The tuition assistance program provides financial assistance for individuals (officers and enlisted) who want to pursue off duty education. Projected expenditures for this program are:

[In millions of dollars]

Fiscal year	Projected expenditures	DOD VEAP
1982	19.5	(1)
1983	24.0	1.1
1984	27.0	1.8
1985	29.2	2.3
1986	31.6	2.9
1987	33.6	3.7
1988	34.2	
1989	35.0	
1990	38.7	
1991	39.3	
1992	40.0	
1993	40.7	
1994	41.5	

[1] $642,000.

Source: Mr. Bill Gill/MPPE X53285.

NAVY EDUCATIONAL PROGRAMS

Current education programs being funded by the Navy include the following:

Tuition Assistance: Either 75 or 90 percent of tuition costs are provided for off-duty education.

Program for Afloat College Education [PACE]: By contract with civilian colleges, postsecondary courses are provided to ships requesting either vocationally oriented or academic programs while deployed.

Veterans Educational Assistance Program [VEAP]: The contributory educational assistance program established 1 January 1977 to replace the GI Bill.

Enlisted Education Advancement Program [EEAP]: The Enlisted Education Advancement Program [EEAP] provides an opportunity to highly qualified and motivated career-enlisted personnel to complete requirements for an associate degree within 24 months. This program provides a full-time college program in a selected junior or community college. Participants receive full pay and allowances but must defray all costs for tuition, fees, books, and other expenses.

Enlisted Commissioning Program [ECP]: The Enlisted Commissioning Program [ECP] is an undergraduate education program for outstanding Navy enlisted personnel on active duty with previous college credit. The program provides a full-time opportunity to complete requirements for a baccalaureate degree at one of ten NROTC host universities and earn a Regular commission in the Unrestricted Line. Participants receive full pay and allowances but must defray all costs for tuition, fees, books and other expenses. Participants are expected to complete degree requirements in not more than 24 calendar months.

Costs of these programs for Fiscal Year 1983 and projected cumulative costs to 1994 are as follows:

[In millions of dollars]

	Fiscal year 1983	Fiscal year 1984–94
TA	5.9	67.2
PACE	3.5	50.6
VEAP	3.0	100.0
ECP [1]	1.8	17.5
EEAP [1]	1.9	21.7

[1] These figures represent the military pay and allowances of the servicemember attending college under these programs. Amount would have to be paid regardless. Tuition, fees, and books are paid by the servicemember.

Note.—The Navy is not utilizing any available authority for educational benefits for the Selected Reserve at this time.

MARINE CORPS EDUCATIONAL PROGRAMS

RESPONDENT. The Marine Corps currently has six educational programs which are funded by the Department of Defense. A breakdown of costs for these programs is available for fiscal years 1983–1987. The following matrix gives that breakdown:

[In thousands of dollars]

Program	Fiscal year—				
	1983	1984	1985	1986	1987
Tuition assistance	4,376	4,667			
Special education program	39	39			
Funded legal education program (FLEP)	112	112			
Veterans education assistance program (VEAP)	2,300	3,505			
Education assistance test program (EATP)	234	405			
Selected reserve incentive program (SRIP) [1]	500	500	500		

[1] Terminates in fiscal year 1985 under present law.

Figures have not yet been established out to fiscal year 1994. Assuming factors remain constant though, a cumulative figure could be reached through 1994 by projecting the costs which we use for 1987. If this were done the following would be the cumulative costs for each program through fiscal year 1994.

	Thousands
Tuition assistance	$55,713
Special education	468
FLEP	1,344
VEAP	40,855
EATP	4,689
SRIP [1]	1,500

[1] Terminates in fiscal year 1985 under present law.

Mr. EDGAR. Also for the record, we would like to know what are the manpower needs facing your branch of service during the next 3 to 6 years, and then into the 1990's.

[The material referred to above follows:]

AIR FORCE MANPOWER NEEDS

As illustrated below, the projected end-strength authorization requirements for active duty Air Force personnel, as of the fiscal year 1983 President's Budget, grew 58,900 between fiscal year 1982 and fiscal year 1987. The outyear projections are used as planning information and are subject to change as programs are reviewed and revised each year. Due to the dynamic environment and changing factors upon which these projected requirements are based, it is not feasible or practical to project a requirement for the 1990's.

	Fiscal year--					
	1982	1983	1984	1985	1986	1987
Officer	101,887	105,148	106,168	107,511	108,641	109,112
Enlisted	474,496	490,435	499,115	514,672	521,142	526,171
Cadets	4,417	4,417	4,417	4,417	4,417	4,417
Total	580,800	600,000	609,700	626,600	634,200	639,700

NAVY MANPOWER NEEDS

Navy officer and enlisted manpower needs over the next several years are as follows:

[In thousands]

Active duty and TARS	Fiscal year—		
	1983	1987	1990
Officer	70.1	75.2	78.8
Enlisted	506.4	537.0	560.0
Total	576.5	612.2	638.8

Specific manpower needs for the 1990's are still under review. However, the expanded fleet of the 1990's, with its emphasis on high technology systems, will require not only increased manpower, but manpower of high quality. To have that high quality manpower in the 1990's, it will be vital to retain those people which the Navy is recruiting today. By the 1990's today's recruits will have acquired the necessary training, experience, and leadership to man the Navy of the future. They will be the petty officers of the 1990's.

MARINE CORPS MANPOWER NEEDS

RESPONDENT. The Marine Corps manpower strength plan calls for for gradual, controlled growth over the next few years. We feel we can accomplish this by maintaining the current level of male nonprior service accessions coupled with a continuation of our recent retention success. This plan will result in a total strength of approximatley 203,000 by fiscal year 1987. This increased strength will enable us to:

Continue to improve the capabilities within the combat service support and air defense units.

Provide additional manning for the mobility and firepower enhancements within the Fleet Marine Force.

Provide additional active duty support in the modernization efforts of the Selected Marine Corps Reserve.

Provide the necessary support to the training and supporting establishments.

Our goal is to have a fully equipped and manned structure by the 1990's. The manpower requirements during this period will be dictated by the composition and roles and missions of that structure contingent on our national strategy.

Mr. EDGAR. Finally, General Thurman, a recent study entitled "Profile of American Youth," released by the Department of Defense, indicates that even after the banner recruiting year and what was called a favorable economy, the services produced a crop of recruits that scored in mental categories about on par with their civilian counterparts in fiscal year 1981, but the study showed that even with this success, the military is not drawing as many above average youth as it used to.

Since 1955 the number of category one enlistees, the highest mental category, has dropped from 9.6 percent to 2.2 percent in 1981. Are you satisfied that the Armed Forces can continue to rely on only meeting the standard of mediocrity, or should the services draw on a more representative cross section of mental groups and social classes; and would the GI bill help in the recruitment of those persons in a little higher mental category?

General THURMAN. Mr. Chairman, I would not refer to anybody as mediocre, but the statistics you cite are correct. Now, I have a chart which I would like to provide for the record. I have anticipated the current recruiting year, 1982, against those same statistical data for 1981. This may be of interest to you. In mental category 1, for example, test category 1, while the youth population of America is 4 percent, this year we will get about 3, and for the upper half, I to IIIA, that is running about 53 percent in the youth cohort of America and will come in about 51 or 52 percent this year.

So as contrasted with the statement that you read or the letter that you got, I will not defend all of it. I will say, and I think this is the underlying cause of the statements that you have had from the Department of Defense. At this time, the ultra-VEAP is helping make that switch in the Army.

[The information follows:]

COMPARISON OF AFQT SCORES 1980
YOUTH POPULATION AND FY1981 NON-PRIOR SERVICE ACCESSIONS
(PERCENT)

PROJECTED FY82
BASED ON
8 MARCH 82 DATA

AFQT CATEGORIES	☐ YOUTH POPULATION 1980	DOD ACCESSIONS FY1981					
		DOD TOTAL	ARMY		NAVY	MARINE CORPS	AIRFORCE
I	4	3	2	3	4	3	4
II	33	30	21	26	35	30	39
IIIA	16	22	16	22	24	24	25
SUB TOTAL ABOVE AVERAGE	(53)	(55)	(39)	(51)	(63)	(57)	(68)
IIIB	16	27	30	26	25	30	25
IV	24	18	31	23	12	13	7
◇ V	7	0	0		0	0	0
TOTAL	100	100%	100%		100%	100%	100%

☐ AGE 18-23
◇ NOT ELIGIBLE FOR MILITARY SERVICE

General THURMAN. From the period of 1981, we only had 39 percent upper half scoring youngsters, and this year we have got 51 percent.

Mr. EDGAR. Can I interrupt you at that point?

General THURMAN. Yes.

Mr. **Edgar**. It seems to me that what the Army is saying is that they have invented a GI bill, calling it ultra-VEAP, and it is working to meet their recruitment needs. I can agree with that statement for the short term, but I think you are almost using or the Department of Defense, not you, but the Department of Defense is using the success of ultra-VEAP as one of its decisions as to why we do not at the present time need GI bill, and yet, in fact, it is a GI bill.

General **Thurman**. Of course it is The point is it does not enfranchise the other people in the service nor the reservists and all the rest of the service people here. I just say to you that the powerful notion I want to echo one more time is that an educational benefit does, in fact, draw upper-scoring youth, and we have to have just such a benefit in the long term.

General Bronars, Admiral Zech, General Usher, and the rest, we all have to have high-quality youngsters to assure that we operate the system that we are going to operate on the battlefield we perceive tomorrow. We need the GI bill to undergird that in order to attract those people.

Mr. **Edgar**. Does anyone have any comments given the broad spectrum of questions that were asked?

Admiral **Zech**. I think, Mr. Chairman, if I may, from the Navy standpoint, although we are making our recruiting goals and our retention goals at the moment and we are very pleased with the success we have had and the support from Congress, I think it is important that we look ahead. I think that is what you and your committee are trying to do, and I believe that although in the Navy we have been very successful this past year and we project success in this coming year, the sluggish economy has been helpful to recruiting, and the Congress has provided the compensation improvements that we felt had been lacking.

So, although we are in a relatively good position in the short term in the Navy, my personal concern is for the future. With the economy hopefully improving I do think that, as we look ahead, recognizing the tremendous benefits of an educational bill to the Navy and to the other services, that our country needs a GI bill. I think in the long haul we are doing the right thing to bring in the quality people that we foresee we need in the Navy and the other services in the future by addressing, as soon as possible, if not this year, as soon as possible an educational program that will bring in that cross section of America and the talent we need for all of our services.

Mr. **Edgar**. Thank you. All of you are put in a very difficult position, and that is you either have to hope for a terrible economy or the passage of a GI bill because while you say you are being helped in your recruiting goals by the economy, what you are really saying is because we are going to face by July 1 10-percent unemployment and cutbacks in educational programs, there is an economic incentive to perhaps look at some of the military service. I do not think any of you are hopeful that the economy stays in its stagnant position and helps your recruiting goals.

We all have a common cause, and that is to have the best military that we can conceivably have, given the resources that we have. I think you have made a strong case for the fact that personnel may be equal to some of the sophisticated equipment that you get, and that in order to have a strong military, we need a well-rounded military force.

Thank you for your statements today. They have been very helpful.

General **THURMAN**. Thank you, Mr. Chairman.

Mr. **EDGAR**. The second panel will include a number of recruiting commands. Let me ask the Army recruiting command, the Navy, the Marine Corps, the Air Force, and the Coast Guard to come forward.

Gentlemen, thank you for coming, and thank you for your patience today. I would like each one of you to do as we did with the first panel, and that is to give a very brief opening statement, if you have one to make.

We heard last year specifically from the recruiting commands, and they had some strong statements to make, and in fact, they and those who were here last year invented the phrase "make it equitable, make it simple, make it permanent" in terms of their concerns.

We are very pleased that you have taken the time to come and participate today, and we are very pleased that you have been willing to share your views and your concerns given your experience as people involved in the process of recruiting.

We will first hear from Sfc. James Eagle, Jr., Minneapolis, Minnesota District, the U.S. Army Recruiting Command.

STATEMENT OF SFC. JAMES D. EAGLE, JR., MINNEAPOLIS, MINN., DISTRICT, U.S. ARMY RECRUITING COMMAND

Sergeant **EAGLE**. Thank you, Mr. Chairman.

I would like to take this opportunity to thank you for your support in the recent pay raise in the last couple of years. It has done a lot for the morale of the serviceman and the quality of the life in the Army at this time.

The only opening statement that I have is I do agree along with the other services and the current bill, H.R. 1400, that we do need a permanent sort of education system to attract higher mental category people into the service.

Mr. **EDGAR**. Master Chief Adams.

STATEMENT OF MASTER CHIEF JOHN M. ADAMS, CHIEF RECRUITER, RECRUITING COMMAND, U.S. NAVY

Chief **ADAMS**. I would like to echo the sergeant's thanks to all of you and all of Congress for the recent pay raises and benefit changes that have helped us, particularly to better recruiting and retention, and to make our job easier.

I personally am looking from a recruiting viewpoint. I am looking at the decline in male American youth, particularly in 1985, when that decline starts sloping rather steeply. A GI bill would be beneficial to recruiting in that, No. 1, it is a door opener to our educators, to get us into the high schools, to the junior colleges, to where we actually recruit for the quality youth.

Second, it helps us work better with the parents. This is a benefit that they can see for their child, that they perhaps have earned, maybe the fathers did during the Korean war or even earlier, and it helps us target ourselves to the brighter student and allows us to provide an opportunity to look further down range on not only will our service, and we are all service-unique for the type of training we offer, but to something even beyond that that is going to help you become a better citizen.

So the necessity of it, if we are serious, and I know you all are, about building a quality Armed Forces, all-volunteer Armed Forces, in the future, I believe it is absolutely imperative that we have something like H.R. 1400.

Mr. **Edgar**. Thank you.

Gunnery Sergeant Taylor.

STATEMENT OF GUNNERY SERGEANT ROBERT M. TAYLOR, NONCOMMISSIONED OFFICER IN CHARGE OF U.S. MARINE CORPS RECRUITING SUBSTATION, HYATTSVILLE, MD.

Sergeant **Taylor**. I would just like to say thank you for giving us the opportunity to come and to speak to you about this subject.

From the recruiting standpoint, we definitely do need a permanent GI bill. The veterans' education assistance program has not worked as far as recruiting.

On the other hand, the super-VEAP or the ultra-VEAP that the Army has, I feel, is unfair for one service to have and not the other three. A lot of young men and women who come into my office have spoken to the Army first, and then they stop by and check all the rest of the services. They do mention from time to time this ultra-VEAP.

It is hard for us to come back and say that we have something similar because we do not. What we have to offer is the veterans' education assistance program. So I feel it is unfair that one service has it and the others do not. Either give it to all four branches or take it away.

Mr. **Edgar**. Thank you very much. Master Sergeant Jacques.

STATEMENT OF M. SGT. ROBERT E. JACQUES, AIR FORCE RECRUITING SQUADRON, U.S. AIR FORCE

Sergeant **Jacques**. Mr. Chairman, I would like to thank you for inviting us here today.

On behalf of the U.S. Air Force and its recruiters across the United States, we would like to thank you for the pay raise in the last 2 years.

I have no formal statement to make, but being a recruiter for over 10 years, I was there when we had the draft. I was there when we had the recession in 1975, when recruiting was good. In 1979 things started to get worse. In that year the Air Force did not make its goal. In 1980 and 1981, we started to see the unemployment situation help us quite a bit.

I would like to see a GI bill established as an up-front incentive for the new people coming on board. I would also like to see an extension to the 1989 deadline for the people that are presently on active duty that may retire in the future, and see the transferability clause in there also.

Mr. **Edgar**. Thank you.

Master Chief Petty Officer Love.

STATEMENT OF MASTER CHIEF PETTY OFFICER FRANK A. LOVE, RECRUITING, U.S. COAST GUARD

Chief Petty Officer LOVE. Mr. Chairman, I appreciate your invitation to testify before the subcommittee on behalf of the Coast Guard.

I would also like to thank you for the pay raise that we got in the last couple of years.

Mr. EDGAR. You all should take time to go over to the Armed Services Committee and thank them, too, particularly Bill Nichols who chairs the subcommittee that this H.R. 1400 was referred to. Thank him and then also ask him to report this bill out. [Laughter.]

Chief Petty Officer LOVE. Some educational programs have always been popular with members of the Armed Forces. I think we should have one in order to maintain a successful force.

I have reviewed H.R. 1400. I think it is a good bill, but at this time I do not think the Coast Guard could afford it out of its current budget.

Mr. EDGAR. What was the last sentence?

Chief Petty Officer LOVE. I do not think the Coast Guard can afford H.R. 1400 out of its own budget.

Mr. EDGAR. I appreciate your opening statements.

Let me go back to Master Sergeant Jacques. I had a chance to look over your biography, and was really quite impressed with your background, and I have just a couple of basic questions.

Why did you join the Air Force?

Sergeant JACQUES. I joined the Air Force, sir, because my dad was a veteran of the U.S. Navy, a disabled veteran. He died when I was 20 years old, and I was brought up in an atmosphere where service to the military, service to the country was a big part of my life, and that is why I became a member of the Air Force.

Mr. EDGAR. You will have been in the military for 20 years in 1985. Do you plan to continue an active duty career after that point?

Sergeant JACQUES. Yes, sir, I do.

Mr. EDGAR. You made a statement about the transferability that I thought was important. You suggested that transferability was an important provision to keep in the legislation. Can you define why?

Sergeant JACQUES. Well, sir, I look at my son and my daughter who are right now—my son is a teenager and my daughter is going to be 11 years old, and having the career in the U.S. Air Force, I feel that I have been given the opportunity to go ahead and expand my horizons. I would like to go ahead and give them the opportunity also to expand themselves, hopefully to go to college, and I believe with the transferability that opportunity would be available to them.

Mr. EDGAR. Thank you.

Sergeant Eagle, what type of recruits are coming in to your office, into the recruiting offices?

Sergeant EAGLE. The type of people, recruits, that we are getting in our office at this time are basically your high school seniors, high school diploma graduates, looking for education. Minneapolis, the area that I am presently working in, they are very college oriented. The parents want to see them get an education.

Mr. **Edgar**. What is bringing them in? They are motivated to go to college; their parents want to see them achieve. They are coming now to the military and coming to the office. What is bringing them to those offices?

Sergeant **Eagle**. Primarily the recruiters offering them the ultra-VEAP at this time, sir. Your high school seniors and your graduates within the last 3 or 4 months, they all have jobs. Both of their parents work.

The unemployed person is not the people that we are looking for. Competition, being that we do have an ultra-VEAP to offer them, it is very successful. For example, we have a delayed entry program when a person swears in. My office at present has 34 people in the delayed entry program. I would say that most of those went for the ultra-VEAP.

They are looking for an education.

Mr. **Edgar**. Let me ask the same question of the Navy. You do not have the opportunity of using the ultra-VEAP. What kind of reaction are you getting at your offices?

Chief **Adams**. Mr. Chairman, no, we do not offer the ultra-VEAP, but we do offer education, and we feel it is the best education that any of the four services offer for enlisted training. Our 6-year programs, and as a matter of fact, travel, adventure, and all that kind of stuff the Navy is supposed to be, that is not the primary motive of the young American today. They are after education.

So if they are mentally qualified, and we are talking your top cut, we will offer them nuclear power training or advanced electronics training, advanced technical field training, which, by the way, requires a 6-year enlistment, and we would see an earning of benefits at the 6-year point detrimental in that we are unique. We are the only service that recruits 13,000 to 14,000 of those individuals a year. We are talking a 2-year training pipeline for them, and to maximize their benefits at the 6-year point would be detrimental.

I think the Marine Corps recruits a few thousand for their aviation, but in the spinoff of that, that is our best sales tool, other than we have some inservice education.

Mr. **Edgar**. Why do you think a few more people came in in the last couple of years?

Chief **Adams**. Mr. Chairman, I feel unemployment has helped, not that I am sure—the 17-year-old that dropped out of high school, he had a tough time finding a job in 1956 as well as 1982. If the parents are out of work, pop has probably told him, "Hey, it's tough and don't get into the factories. Find something different for yourself."

So unemployment has been a help, but I feel the attitude of the American public as we have left Vietnam further behind us, and that has been further enhanced by leaders within the administration and in Congress speaking out that the military service is an honorable thing to do for American youth. I feel that attitude is really coming on strong across the country.

I feel very strongly that our recruiters are professional sales people, and they are aggressively trying to point out and contact and let the individuals know what benefits await them if they should choose to enlist in the Navy. So I think those three things.

Mr. EDGAR. Sergeant Taylor, what kinds of people are coming into your offices, and what are you finding in the recruitment area? What is bringing them in?

Sergeant TAYLOR. Basically, high school seniors and high school graduates. We have a number of activities we go through to generate activity to find these respective applicants. We work the high schools through ASBAB, high school visits, career talks, things of this nature.

My station, in particular, is in a suburban recruiting area and is, more or less, a walk-in station. I have 111 in my program in my pool, and they also bring in referrals. We school them on what type of person it takes to be a marine, what type of person that can pass the physical and things of this nature, and they bring us referrals. So there are a number of ways to get people in the office.

Mr. EDGAR. Sergeant Taylor, if you were going to stand up in front of this room with all the people here in this hall and teach them how to use the VEAP program and go through the 16 different categories of VEAP, would you be able to do that at this point?

Sergeant TAYLOR. No, sir.

Mr. EDGAR. What would be the problem?

Sergeant TAYLOR. You mentioned 16 categories of VEAP?

Mr. EDGAR. Well, somebody showed me a chart. There are 16 or so different ways you can use the VEAP program and the test programs that are out there. The variety; let's not use the term 16. The variety of different options under VEAP, could you explain it, and I am not giving you a test. I am trying to point out the fact that it is a little confusing to some people how the system works.

Sergeant TAYLOR. Yes, sir, for every $1 that the individual contributes to this educational program, the Marine Corps or the U.S. Government will give him 2 to 1, and at the end of a 4-year period, it could end up to $8,100.

Mr. EDGAR. Yes; it is different in a different service.

Sergeant TAYLOR. That is my understanding of the way it works in the Marine Corps, sir.

Mr. EDGAR. All right.

Sergeant TAYLOR. That is the way we portray it to prospective applicants.

Mr. EDGAR. Do you find that your prospective applicants get excited about that?

Sergeant TAYLOR. No, sir, they do not.

Mr. EDGAR. They do not?

Sergeant TAYLOR. $8,100 is not very much money. I believe the national average for a year of college is $9,000. I believe that is the national average for college per year; $8,100 and these young people know that. They know that. So it is very hard to portray to them that this is a super program and they should take advantage of it and this is why you should join the Marine Corps.

But then again, we do not sell programs and we do not sell education in the Marine Corps recruiting service. It is there as a tool. We sell the Marine Corps, and the bottom line is the Marine Corps will sell itself because, sir, if you asked me why I joined the Marine Corps, I joined because I wanted to be a marine. There was no so-called job. I thought a job was to be a marine when I came in, and I understand the situation.

Mr. **Edgar**. That is why you have succeeded.

Sergeant **Taylor**. Yes, sir.

But the attitude of the generation nowadays has changed, and we have to have those tools and we have to have that education to entice these young people to join the Marine Corps.

Mr. **Edgar**. Let me ask all of you a question, and perhaps, Sergeant Taylor, you might begin by answering it. We received some testimony out in the field last year that it is nice in specialized skills to get a cash bonus, but there is a different value put on education, particularly if we think of it as an entitlement program.

Do you feel that there is a different impact of bonuses versus the GI bill as a recruiting tool, a permanent, consistent entitlement versus a cash bonus? Is there any value given to those that are different?

Sergeant **Taylor**. Yes, sir, the way I understand it, the bonus is for once you have served a number years for your first-term enlistment. If you are in a critical MOS, you are entitled to a bonus, a reenlistment bonus.

An entitlement, to me, is similar to a benefit, be it medical or education or something of that nature, but a bonus is different. I myself have received a bonus. I got $15,000 for reenlistment for 6 years, which I greatly appreciate, but then again, there is another marine, that sits by my side that is the same rank at the same time in the Marine Corps, but he is not in a critical MOS, and he only got $3,000, and he has served honorably alongside me.

Mr. **Edgar**. Sergeant Jacques.

Sergeant **Jacques**. Yes, sir, I believe that we need a GI bill, but I also believe in the bonus area that we have to be, I guess, kind of flexible, like you say, that we are flexible because as the economy changes and as the world changes we may have to be competitive with a lot of different industries to retain our people on board in the services, and I would like to see that it is flexible so as the times change, if we have the need for a critical job, that we can be able to go ahead and use that incentive or the bonus to retain them.

Mr. **Edgar**. That is a point that has been raised. I have no problem with that, to give a cash bonus for a critical skill. I do have a problem in using educational benefits as a bonus for critical skills. Some of the proposals that have been before us say if you work in a particular field, you get a higher educational benefit that causes the problem that Sergeant Taylor was mentioning.

Here are two people that have served honorably. They have come into the service at the same time, and he has pointed out the difference between a $15,000 bonus and a $3,000 bonus for what is perceived by the Marine Corps as more critical than another skill.

If, on top of that, the gentleman who only got the $3,000 bonus for reenlistment also got less educational benefits because he did not fit into that particular category, he would feel further put upon by the service. I guess I am assuming that it makes sense to keep the bonuses on the salary side, but to limit the educational area to entitlements and not play the bonus game with that.

Sergeant JACQUES. Yes, sir, I would like to see an equitable process as far as the education program is concerned.

Mr. EDGAR. I appreciate that.

Congressman Dowdy, who has joined us, who is on the House Veterans' Affairs Committee and on the subcommittee, we appreciate your taking the time to join us.

Do you have any questions of the recruiters here before I continue?

Mr. DOWDY. Mr. Chairman, I have no questions. I appreciate the input, but I have no questions.

Mr. EDGAR. Thank you.

I wonder if the Coast Guard might tell us a little bit about your recruiting offices and what kinds of people you are finding coming to the Coast Guard.

Chief Petty Officer LOVE. Mr. Chairman, we always need substantially smaller numbers than the other services naturally. For instance, in fiscal year 1981——

Mr. EDGAR. You will have to speak right into the microphone, sir.

Chief Petty Officer LOVE [continuing]. In fiscal year 1981 we only recruited slightly over 5,000 people. So we are not looking at the great numbers that the other services need.

However, most of our people are high school graduates. Most of the people that come into the recruiting office are looking for some type of educational advancement. Most of the people or some of our people come in looking for some of the things the Coast Guard has to offer, such as humanitarian services and some of the services that apply to the public.

Mr. EDGAR. Thank you for that.

Let me ask each of you to think for a moment. As you look at the next 5 years and the tools which you have in your tool chest right now to recruit people within the service, if the economy turns around, if we do not have 10-percent unemployment, if we do not have the kinds of pressure on the economy that we presently have, what kinds of things are you going to need in that tool chest 3 or 4 years down line in order to recruit quality people within the service?

Let's start with Master Chief Adams.

Chief ADAMS. Yes, sir, As I stated earlier, I feel very strongly that we have a professional sales organization, and we are going to need two things to recruit quality people or anybody. One of them is we are going to need money so we can better support our recruiters.

We are one of the services that took an advertising cut this year and cuts in other support items.

As I stated earlier, if you are going to recruit quality people, you have to pique their interest. Should the economy change, and I know the Navy, in particular, is going to need larger numbers over the next 5 years with the CG-47 and the figures coming out and the F-18 aircraft. I can see nothing but our manpower needs increasing.

If you want to recruit somebody of quality, and the primary interest of our youth in America today is improving their education, we are going to have to offer them something, whether it is in service or after service, and from everything I have seen that is available today, I think H.R. 1400 comes pretty close.

I do have the reservation with the 6-year kicker because, again, I look at retention. The better the retention, the easier our job becomes at the front end.

Mr. **Edgar**. Well, I think you have made a good point, that there is going to be a need, and you have got specific things you need in your tool chest to be able to get the quality people to man the equipment and the service needs you have within your service.

Chief **Adams**. Yes, sir. One thing that has come up is the bonuses, and just like the Navy, for some of those people that we desire for critical skills or sensitive skills, we have offered them a $1,000 to $1,500 to $2,000 bonus, but that is just a short-term thing, and everybody can figure that out. That will not even make you a down payment on a good car any longer.

If you want to recruit trainable people, and they are not all going to be nuclear power types, I would like to address myself to the GI bill being equitable across the board. You can take what would normally be thought of as a support type person, a supply petty officer or a cook. When you put them on a ship and that ship deploys, she is combat ready, and they are no longer support personnel. They are a part of a combat unit. They earn something just like the gunners mate, the fire control technician, the sonar technician. Their worth in value to us is equal across the board.

But I see this as the only long-range solution coming up here in the eighties, to go after and recruit quality personnel and help convince their parents and the educators that we have got something to offer because we compete today against Honeywell and IBM and what have you as far as sharp young people.

Mr. **Edgar**. One of the things that we learned last year was that part of your job as a recruiter is to have something you can explain to parents and counselors in high schools that is simple and easy to understand. Would you agree that it is important if we move to a GI bill that it be simple, understandable, permanent, something that parents and counselors could easily understand?

Chief **Adams**. Yes, sir. For example, our EATP that we had scattered all over the country, you had a high school student living across the State line or some arbitrary boundary, maybe down the middle of the State. You had a recruiter over here that could say "Well, we can give you this," and the recruiter on the other side of the county said, "Well, we really do not give you very much," and it was so complicated. Recruiters talked to one another all over the country. They just confused one another. How do you interface with America when you have got, No. 1, the recruiter confused; and you are confusing educators and parents all over.

It has to be simple and understandable and across the board, yes, sir.

Mr. **Edgar**. Thank you for that.

Sergeant Taylor, I confused you in my earlier question, and I want to apologize. I was confusing in my head the veterans' educational assistance program with the educational assistance test program, and my question came out confusing, but the whole issue is somewhat confusing.

Of course, the VEAP program that is provided is pretty simple, and you explained it very well, for your service. The program that I was talking about with all the different varieties was picked up by Master Chief Adams when he talked about county lines and different jurisdictions who had the educational assistance test programs and all of the complications and confusing aspects of that, and so I want to apologize to you.

Let me just ask you all to be very brief at this point. You have got 5 years. Looking out at those 5 years, what kinds of things do you need in your tool chest to get people to be excited about being a marine?

Sergeant TAYLOR. Well, No. 1, sir, for whatever benefits that we have or whatever tool the Congress approves or gives to the Marine Corps or all four branches, the Marine Corps is going to make the mission with whatever we have to work with.

No 2, we need a GI bill, sir. We need a simple, noncontributory participation education program.

I personally would like to see transferability because down the road I would like to transfer some of the benefits to my children.

We need a requirement for honorable service. When a young marine does his time and does it honorably, then and only then should he rate the GI benefits, education benefits.

Mr. EDGAR. Thank you.

Sergeant Eagle, could you respond to that question as well?

Sergeant EAGLE. Yes, Mr. Chairman. I feel that the Army definitely needs a permanent education program, along with bonuses.

I would like to comment on the education program GI bill. I was in the recruiting command when we used to have the old GI bill. In the month of December 1976, the recruiting station I will refer to as Brooklyn Center, Minn., wrote an average of about 15 contracts a month. In the month of December they wrote 52 contracts to beat the deadline of the GI bill. I think that is evidence enough to show that we do need something permanent.

Along with this, I think that the Army needs the kicker. The propensity to enlist into the military, the Air Force and the Navy are a little glamorized. People seem to think that in the Army you live in a tent and in a foxhole. The kicker would give us the equal edge that we need, the competitive edge.

I feel as part of the tools, the education program, training, short-term bonuses for highly skilled technicians, is what I feel we need.

Mr. EDGAR. I had a fantasy about better tents and fiberglass foxholes as an image that you advertise. I appreciate your statement, and I think you have said it well.

Master Sergeant Jacques.

Sergeant JACQUES. Yes, sir. In southwestern New York and northwestern Pennsylvania where my recruiters cover—I cover two areas—there are many schools that are beginning to close, and I believe in the 1990's that we are going to be needing probably about one out of every three individuals for the military. I think we have to keep pay comparable with the civilian sector. I think that is a big part.

Regarding education, a lot of the civilian industries today pay the individuals to go to school while they work for them. I believe with the GI bill including the transferability clause, the $300 for the initial enlistment, $600 after 6 years, I believe we will retain many people in the U.S. Air Force, as well as the rest of the services.

But I also believe that the American people in general are very patriotic. They want to serve, but they also want to get back something for doing their part for their country.

Mr. **Edgar**. Thank you very much.

Finally let's hear from the Coast Guard in terms of what tools you need in your tool chest.

Chief Petty Officer **Love**. Mr. Chairman, again, because we need such a small number, I think that the pay equivalent to that in the civilian sector and with high unemployment, we will probably do all right in the next 5 years. I think that we all have reasons to hope that the economy will improve though. So if there would be an improvement in the economy, I think we would probably need some type of an education bill and have adequate pay, a bill that is relatively simple to understand, a bill that is funded outside of the service budget, and a bill that we could all explain relatively simply and easily to prospective recruits.

Mr. **Edgar**. Thank you very much for your statement. All of you have been helpful. We held this hearing this morning to reaffirm what was said 1 year ago, in support of H.R. 1400 and while we do not have a lot more questions for all of you, you have in a sense reaffirmed the strong statements that were made a year ago about the need for GI educational benefits, the need for positive recruitment, and the need to fix the roof when it is sunny out and not when it is raining. The fact that our economy may not stay in the shape it is in at this point, hopefully, and that you may find it difficult to meet your recruiting needs at some time in the future, you may have the need for some additional help.

Thank you for your time today.

Our third panel includes Staff Sergeant Greenwell, Master Chief Trentham, Master Sergeant DePersig, Master Sergeant Kelley, and Master Chief Petty Officer Bonnet.

Before you begin, my staff has informed me that Master Sergeant Kelley was born in Darby, Pa. Is that correct?

Sergeant **Kelley**. That is correct, sir.

Mr. **Edgar**. Darby happens to be in my congressional district.

Sergeant **Kelley**. I moved before I could vote.

Mr. **Edgar**. I was born in Yeadon. I think you know where that is.

Sergeant **Kelley**. I have ridden by there many times.

Mr. **Edgar**. That is right. Thank you for coming and thank you for your patience in sitting through this morning as we listened to the first two panels.

I am going to ask each of you to think about the questions that were asked. There are a number of different aspects of this whole question.

I note from your résumés that we have career counselors, people who are advisers to persons thinking about leaving the service as well as people thinking about staying in the service.

The last group of gentlemen were focused primarily on the recruitment aspects. What we are hoping to hear from this panel is for them to teach our subcommittee something about retention. What are the ingredients in retention? What does it take to retain somebody within the all-volunteer military? Can education be a helpful tool to that retention? What kinds of problems do you have with H.R. 1400 or other educational bills? What kinds of positive aspects could they bring to help retain people within the service?

Also, what is the impact of the 1989 delimiting date pressure? While it would be nice to lift that deadline, there is some hesitancy and resistence on the part of the House and Senate in lifting that date, not because it would not be helpful, but because there are many questions raised in terms of the fairness lifting it for active duty personnel while Vietnam-era veterans who bumped up against the 10-year delimiting date were unable to use their benefits.

So with that backdrop of questions, I would hope that each of you would give us your honest views and comments, and again, if we do not ask you a lot of penetrating questions, it is only because we are focusing in on the questions we think are important this morning, and this is the eighth in a series of hearings that we have had.

Let me ask Staff Sergeant Greenwell to begin and talk from the point of view of the Army, and then we will move to the others.

STATEMENT OF S. SGT. GERRY I. GREENWELL, CAREER COUNSELOR, U.S. ARMY

Sergeant **Greenwell**. Mr. Chairman, I think that we do need a new GI bill to enhance retention especially with the two-tiered system and also the transferability. I think these are the major points as far as we in the reenlistment business are concerned.

We have to have a GI bill that does not force the individual out of the service in order to use the benefits. I think the two-tiered system is in the right direction.

I personally would like to see in-service personnel be able to use their benefits while still in service, in other words, collect the monthly allowance just as we do when we get out of the service. I think this would influence many people to stay in rather than get out of the Army and the other services because they would not be losing anything by staying in.

The Air Force general echoed this sentiment also, and he brought up the idea of people being able to collect the monthly benefit after 12 months of service, and I agree with that completely.

As far as why people reenlist in the Army, through my experience it is a combination of pay and benefits, and also the spouse has a great deal to do with it. I do feel with the transferability clause that the spouse would play an important part because if the spouse and/or children felt that they could use the benefits, they would encourage the service member to reenlist.

Mr. **Edgar**. Thank you for that helpful statement. I am going to come back to you on a couple of questions that your statement raises.

Master Chief William Trentham.

STATEMENT OF MASTER CHIEF WILLIAM J. TRENTHAM, COMMAND CAREER COUNSELOR, U.S. NAVY

Chief TRENTHAM. Thank you, Mr. Chairman.

I appreciate the opportunity to come up here today, and I would also like to say that we in the fleet appreciate the generosity of Congress recently that brought our pay and benefits up to a level that was much more desirable.

With regards to the GI bill, I have some personal priorities that I have developed over the years. The first thing I would like to see happen is an elimination of the 1989 cutoff date. Perhaps some period after separation, 5 to 8 years to take advantage of that, but eliminate the 1989 cutoff date. It is a very strong dissatisfier among the very people that I am trying to keep in the Navy.

I am supportive, very supportive, of H.R. 1400 with some minor exceptions, or maybe they are not so minor. The 6-year feature is very unpalatable to me because we have an awful lot of people who we try to keep beyond 6 years, specifically the 6-year obligor. We bring in about 12,000 or 14,000 people a year, and we try to keep as many of them as we can into the advanced electronics, nuclear power field.

If we give them maximum benefits at the precise point where they have completed their obligation, I can see that they are liable to go out the door in even greater numbers.

Mr. EDGAR. Can't you use bonuses for that?

Chief TRENTHAM. Yes, sir.

Mr. EDGAR. Pay bonuses?

Chief TRENTHAM. Bonuses are a very good tool, but I would just like to see it moved up to, say, 8 years, at least 8 years just to remove that temptation, as it were, and give us a little bit more reason for keeping them.

These people are generally seeking education. They are very intelligent, highly trained, and they are interested in education.

I would also like to see any new GI bill, such as H.R. 1400, only apply to honorable service. It is a major irritant to sailors to see somebody kicked out of the Navy as unsuitable and receive some sort of GI bill educational benefits. That is personally an irritant to me.

I think that the retention increase that we have seen in the Navy is attributable, in large degree, to the increases in compensation, recent increases. I think also though that the effect of the economy has definitely been positive with regards to retention.

Mr. EDGAR. Let me ask you a question before we move on. I am just speculating—suppose we had a two-tier system where we had $300 for the first tier, $600 for the second tier, and let the service determine when the second tier kicked in, so that those services that felt 6 years was applicable could kick the second tier in, and those that felt they had to wait until 8 years could kick it in.

Chief TRENTHAM. Well, I think that the Navy probably would definitely opt for the 8-year point. However, I think it might also give us a slight disadvantage in recruiting.

Mr. EDGAR. OK. I have got the message.

Let me move now to Master Sergeant DePersig, who is in charge of the enlisted section at the Career Planning Branch of the U.S. Marine Corps.

STATEMENT OF M. SGT. MARCEL J. DePERSIG, ENLISTED SECTION, CAREER PLANNING BRANCH, HEADQUARTERS, U.S. MARINE CORPS

Sergeant DePersig. Thank you, Mr. Chairman.

Gentlemen, we need the GI bill for many reasons. It is going to help the economy of this country because I look at the GI bill not as a cost, but as a benefit, a benefit to, one, the service member, two, to the community and also to the different level of our education system.

Economically speaking, if we look at it today, we can see that a lot of institutions of higher learning are shutting their doors, and that is because the people cannot afford to get into these institutions because of the cost of tuition, and this would be due in part to the fact that a lot of the Federal grants have been cut off.

By having a GI bill and affording the service member the opportunity, once he leaves the service, to avail himself of this opportunity to go to college, he is going to be a benefit to the community, by increased tax dollars and skills. He can assist the community in many ways.

We need a GI bill, either the one we presently have extended beyond 1989 or a new GI bill that everybody can share equally in. Like the master chief said, with honorable service to utilize the in-service benefits while they are in the service.

I was afforded the opportunity to do this, and I am going to continue to do this until the day I leave the service.

The transferability clause is a necessary feature of the bill. Again, it all comes down to basic economics. The service member has received additional pay raises in the past 2 years, but with the economy the way it is, by the time he leaves the service and he wants to put his children through college, he almost has to be a millionaire in order to do it. So, by having the transferability, he can use part of it for himself and part of it for his family, and I think, as a retention tool it would be a good selling point.

We lose a lot of people out of the VEAP program for the simple reason that they just feel, it is not economically sound for them. The amount of money that they put in there, they do not feel that they receive any benefit from it at all, and again it gets down to the basic bucks. It is the cost of education. The money they put aside and what the Government is going to give them just will not pay for an education. So, a lot of these people just opt to drop out of the system or out of the program.

I think that the GI bill should be equitable; it should be for everybody, both enlisted and officer. We should not neglect either one because on a Navy carrier or in a foxhole, an officer is going to be beside me.

Mr. Edgar. Like a health care benefit is for everyone.

Sergeant DePersig. That is right exactly. It should be across the board.

But, again, I cannot overemphasize the honorable service portion of it. A marine must have faithfully served honorably in order to avail himself of the opportunity.

Mr. **Edgar**. The whole concept of honorable service is included in H.R. 1400, and your point is well taken.

Any additional points?

Sergeant **DePersig**. Yes, sir. I think that it should be VA funded and administered because the old GI bill, was handled by the Veterans' Administration. The majority of the people utilizing the GI bill would be veterans.

Mr. **Edgar**. We take the position that it should be both, that the first-tier benefit is a basic VA traditional funded benefit similar to what you had in the Vietnam veterans' bill and others, and that the second-tier benefit, the kicker benefits, leave of absence benefits, those kind of things, really should be cared for as a retention feature paid for out of the Department of Defense.

Sergeant **DePersig**. One thing, Mr. Chairman. As far as the educational leave of absence in regards to the bill, I do not think we need that for the simple reason that most of the services—and I can speak for the Marine Corps—have our own in-service programs where individuals are afforded the opportunity to get a college education while they are in the service, and they require a pay-back. In other words, if they go to college for 2 years, then they have to agree to sign up for additional years of service, and it has paid off well.

Our numbers are limited because of fiscal constraints and few seats are available, tying this in with the GI bill, I think—just like General Bronars said, it would be disruptive.

Mr. **Edgar**. Thank you.

Master Sergeant Kelley.

STATEMENT OF M. SGT. JAY G. KELLEY, CANNON BASE CAREER ADVISER, CANNON AIR FORCE BASE, N. MEX.

Sergeant **Kelley**. Mr. Chairman, first of all, I would like to thank you for having us all here. This has been a very valuable experience for all of us, I am sure.

I certainly echo most of the things that have been said here today, and basically I like the provisions of H.R. 1400.

Obviously the Air Force is doing pretty well right now with retention. The last two pay raises had a lot to do with that, but I think right now the major factor is the job market.

I have had many people sitting at my desk that make the decision right in front of me that the job market is such on the outside and that they are just afraid to take a chance. Also, we have many people that get out and do take a chance and it does not work out, so they come back in under the delayed reenlistment program. So, we know that it is bad out there right now.

Retention will certainly be a big challenge when the economy improves, and with private industry we need the incentives to compete with private industry for the people that we have trained in the Air Force. It is a shame to lose these people, and we have many training dollars going down the drain.

One point I would like to make is I feel that we need a blanket GI bill. There seems to be a perception out there that many of the benefits that have been traditional with the military are being eroded, and by a blanket GI bill, I mean a simple one that pertains to everybody and not one that is selective as in the bonus system and some of the other programs that exist.

I think it is very important that they apply to everybody. This will help reestablish credibility. You may be surprised when you talk to some of the younger people and some of the older people also about the overall feeling that—I would not say it is running rampant, but it is quite widespread—about the eroding benefits.

We read articles in the newspaper, particularly the Air Force Times and the other service papers, and I think all this discussion over the current GI bill with very little action being taken is just another nail in the coffin, so to speak. It keeps this feeling building.

Just for your information, when I found out I was coming, I sort of ran frantically around and performed a grass roots survey. I talked to as many people as I could. I did not take any statistics. Obviously all the military people I talked to were in favor of some sort of a GI bill, but I was very interested to find out the many civilians that I talked to that had actually no connection with the military were also in favor of a GI bill. I even talked to some people in the planes as I came over here. All of them, with no exceptions, felt very strongly that we should have a GI bill, and quite frankly, they were surprised that we did not have one. Not having any connection with the military, they were not aware that we do not have one right now.

I feel that it is incumbent upon all of the military services to provide some sort of a blanket GI bill.

Mr. EDGAR. Sergeant Kelley, your last statement is really helpful. You know, I came to this a little bit openminded in terms of my opinion. The chairman had introduced H.R. 1400 before I became chairman of this subcommittee, and when we set out for our hearings last year, while I am a strong supporter of education generally, I figured that we would have lots of opposition to reinstating the GI bill simply because of the cost and those kinds of things, and I was really surprised that we could not find very many people, if any, who were opposed to a GI education bill.

There were some who would say, "We want one, but we are not going to pay for it" or "We want one, but let somebody else carry the cost of it." But, when you talk to civilians, when you talk to enlisted personnel, when you talk to officers, when you go out in the field and talk to over 100 people and cannot find anybody that does not see the value in having an educational benefit, it gets quite startling.

That is why we were so startled at Dr. Korb's testimony and why we felt a little uneasy at the backing away of the administration's strong position, as expressed by the President of the United States and as expressed by Secretary Weinberger, for the need, and I think we have demonstrated today—in fact, this hearing today—that support for the bill is probably stronger in its underlying statements than any of the other hearings we have had for the need for a GI bill.

I really appreciate not only your statement, but your willingness to go out and ask civilians and others about it. There are indeed many Americans who do not understand that the GI bill was terminated in December 1976. Many people do not understand the VEAP or the ultra-VEAP program and who is able and who is unable to use that program.

I think you are echoing the statements of last year that a new program should be equitable, permanent, across the board and specific. That is why we shaped H.R. 1400, as we did.

Thank you for your statement.

Sergeant **Kelley**. You are welcome, sir.

Mr. **Edgar**. We now move to the Department of Transportation. I guess they will have some responsibility in funding a piece of this bill, and I was not too far off in my slip of the tongue.

STATEMENT OF MASTER CHIEF PETTY OFFICER ROBERT L. BONNETTE, REENLISTMENT COUNSELOR, U.S. COAST GUARD

Chief Petty Officer **Bonnette**. Yes, sir, Mr. Chairman. Thank you for inviting me.

I am not sure it will even cover us, but I know they will not pay for these guys.

Thank you for inviting me here today. If you are looking for a supporter of H.R. 1400, I am one. We definitely need another initiative, such as H.R. 1400, to keep our people in the Coast Guard in the second and third areas or stages of their careers.

Right now there is an awful lot of indecision on most of the people's part, particularly in the Coast Guard, regarding the delimiting factor of the old GI bill in 1989, the fact that their benefit will terminate with that, and they feel that they have to leave the military before that time to take advantage of this benefit.

The other younger folks that are involved in the veterans' education assistance program, VEAP, are kind of up in the air. They are not sure which way that program is going to go. They know it was supposed to have been canceled recently. There has been an extension placed on that. They are just not sure which way to go.

H.R. 1400 appears to be the answer to both of those groups of people, with some minor changes. H.R. 1400, I do not think that there is a military person presently serving that would vote against it.

The discrimination against critical abilities and particular ratings and MOS's I think is a bad feature of the bill. I think bonuses can cover that.

The selective reenlistment bonuses along with the other benefits of H.R. 1400 can take care of those critical folks. The more standard ratings, such as my own in the Coast Guard, that of personnelman or yeoman, the bill has everything that I am looking for, particularly with the transferability clause for my spouse or my dependents.

When this was first publicized last year, I got numerous telephone calls from individuals to say, "If I can transfer this to my dependents, I'm reenlisting tomorrow for 6 years." Unfortunately at that time the bill had not been approved, passed, or anything else. So I see it as the way to go, particularly for the Coast Guard, and we are up against some other odds that the other services are not.

We need everything we can get.

Mr. **Edgar**. Thank you.

Is anybody here opposed to transferability?

[No response.]

Mr. **Edgar**. Is there anyone here who is opposed to the leave of absence provision?

Sergeant **Greenwell**. Would you explain that for me, Mr. Chairman?

Mr. **Edgar**. Leave of absence provision in the bill provides that you can have up to a 2-year leave of absence at the discretion of the Secretary of the service if you commit yourself to 4 years additional service within the military. It is an option at the discretion of the Secretary to use your education benefits either the first tier or the second tier, but still stay in the service.

Sergeant **Greenwell**. That would be similar to the old boot strap program?

Mr. **Edgar**. Yes.

Sergeant **Greenwell**. I am in agreement with that.

Mr. **Edgar**. Let me ask you, if we could, for the record, I was reminded by my staff that your nods of your head did not quite get recorded, so let me go back. Let me ask each of you yes or no.

Are you for the transferability provision?

Sergeant **Greenwell**. The Army is, Mr. Chairman.

Sergeant **DePersic**. The Marine Corps is.

Chief **Trentham**. I am for the transferability option, sir. However, I am not sure that I would want to transfer 100 percent. I am afraid it might be viewed as a giveaway and misused.

Mr. **Edgar**. Air Force?

Sergeant **Kelley**. Mr. Chairman, I personally am in favor of the transferability.

Mr. **Edgar**. Coast Guard?

Chief Petty Officer **Bonnette**. Mr. Chairman, the Coast Guard would certainly be in favor of the transferability clause, with some reservations, of course, as the master chief indicated.

Mr. **Edgar**. And I will put this one on the record. I assume that there is no one who objects to the leave of absence provision as stated.

There is a provision in the legislation, one we have not talked about, which is a loan forgiveness provision, and this is mostly for recruiting in the first place, and that says if you come into the service, we will forgive loans that you have on the outside up to a certain amount each year for 1 year of service.

Do you generally feel that that is a helpful recruitment provision that ought to be retained in the legislation?

Sergeant **Kelley**. Mr. Chairman, are those loans you are talking about other Government educational loans?

Mr. **Edgar**. Yes; that program has already been extended for 2 years. It simply gives recruiters an additional tool to use for that person who goes into, let's say, a 4-year college and drops out because of economic problems or graduates, but has a massive loan to pay back to the Federal Government. It is thought that it would be an incentive to come in and serve within the military, and you would get that higher academically qualified individual looking to the military as a way to pay off his loan. He would not then get, as I understand it, his $300 benefits. He has already, in fact, used them, up to $1,500 a year.

Sergeant **Kelley**. Speaking for myself and, I hope, for the Air Force, since this is a recruiting question, I feel that we would be in favor of it.

Mr. **Edgar**. Yes; it is already in law for 2 years, but this would make it more permanent.

You have been very helpful, very articulate, and very to the point. You have talked about the need for an education program, the need for transferability, the need for a leave of absence provisions. You talked at length in your opening remarks about what kinds of people are sitting across your desk and thinking about coming in or leaving the service.

Is there any other word of wisdom you want to leave with us before we proceed with the legislation in the next 6 weeks?

[No response.]

Mr. **Edgar**. Let me ask you one final question. Does anything bug you about your service in the military? All of you have reenlisted. What is your biggest gripe?

Sergeant **Kelley**. Mr. Chairman, I do not know about the rest of the gentlemen here, but I had a break in service, and I came back in frankly because I just enjoyed the military, the structured way of life, and I guess my biggest complaint now is that certain small minority that just do not seem to care any more, and I think by passing or by successfully passing a strong version of H.R. 1400, I think this will go a long way toward maybe helping people to care.

Chief Petty Officer **Bonnette**. Mr. Chairman, when I came in the Coast Guard, the only major benefit we had was the education assistance. We had a reenlistment bonus also at that time. It was $2,000, and I had to reenlist several times to reach that amount.

I do not have any gripes at all about my service at this time, nor have I ever, other than the fact that we are experiencing a problem, which I am sure you are well aware of, and it would be redundant of me to cover that here. Once that is taken care of, I think we will be back to smooth sailing.

Retentionwise, we are doing great right now, but I see the bottom falling out with an awful lot of things that have happened in the last several months, and this would certainly help stave that off without a doubt.

Mr. **Edgar**. Thank you.

Sergeant **Greenwell**. Mr. Chairman, I believe we have to attract and retain representatives from middle America. I do not believe that the middle class and the upper class from our country are now participating in the military. I think they are leaving it largely up to the poor and lower middle class, and I believe that the new GI bill will help attract and retain middle America.

Mr. **Edgar**. Thank you all for your statements. You have been very helpful to us.

Our final panel includes Frank Weil, national secretary of the American Veterans Committee; Maj. Gen. Francis Greenlief, retired, executive vice president of the National Guard Association of the United States, Mr. Robert W. Nolan, national executive secretary of the Fleet Reserve Association; Mr. Richard W. Johnson, Jr., national legislative director, the Non-Commissioned Officers Association of the United States; and Mr. Max J. Beilke, legislative counsel of the National Association of Uniformed Services.

Gentlemen, we have been here a long time this morning, and you have been, again, very patient as you were a year ago. You have heard the statements of the uniformed officers and enlisted personnel. I would appreciate it if you could summarize and pinpoint your specific suggestions.

All of your statements that you have will be fully made part of the record today.

Let me begin with Frank Weil and ask him to speak first, and we will go through each of you for an opening statement, and feel free to comment on or react to some of the questions that have been there.

If you have a full printed statement, I would appreciate it if you could summarize.

STATEMENT OF FRANK E. G. WEIL, NATIONAL SECRETARY, AMERICAN VETERANS COMMITTEE

Mr. WEIL. Thank you, Mr. Chairman.

I thank you for hearing the American Veterans Committee on this matter. We have been steadfast supporters of the GI bill for many years, and we look upon the funds involved not as an expenditure, but as an investment.

Our platform has long stated that AVC believes that experience has shown that the Federal funds used to pay educational benefits for veterans have been repaid to the Treasury many times over in the form of higher income taxes collected from those whose education financed by the GI bill has resulted in higher earnings, which is why I believe that many of the cost considerations we have heard are irrelevant. It is not an expenditure. It is an investment, and the Treasury will benefit in the end.

Mr. EDGAR. Could you repeat that sentence back? I could not hear it.

Mr. WEIL. Our platform is that the Treasury has benefited from the income taxes gained from people who now earn more because they went to college under the GI bill. I, therefore, believe that talk about costs is irrelevant.

Mr. EDGAR. Thank you. That is what I thought you said, and that is why I asked you to repeat it.

Mr. WEIL. Right, sir.

We have supported the original GI bill, the Korean, cold war, and Vietnam-era versions of the bill, and we urge that a peacetime bill be enacted.

We added the following plank to our section on the GI bill at a recent convention:

> We applaud the passage of a permanent GI bill, and we call it a responsible means of enabling servicemen and women to return to civilian life with facility and ease at the end of their service.

We regretted and still regret the GI bill is not available to those who entered the Volunteer Armed Forces at this time, and the delimiting dates are preventing an increasing number of those formerly entitled to GI bill benefits from taking advantage.

We were pleased to see that the House Veterans' Affairs Committee reported H.R. 1400.

The VEAP program is not working. If the ultra-VEAP is working, it is working for only a small number of people.

Our formal statement quotes Admiral Zech, whom you heard earlier this morning, and I believe that the improvement in recruiting pointed to by Dr. Korb is not a function of better advertising by the Defense Department. It is a function of the recession, and if, indeed, the present administration's policies should lead us to an economic millennium, the recruiting will drop off accordingly.

Certainly, as was emphasized by a number of people, a GI bill will increase the number of class I and class II enlistments so that the Armed Forces do not continue to be simply a poor man's occupation.

We are strongly in favor of lifting the delimiting dates. The American Veterans Committee currently has a project on women veterans, and we find that a lot of them found the need for taking care of a family has precluded them from going to college or going back to college, in earlier times, and there are a lot of women veterans out there whose children are now grown who should have an opportunity to take advantage of the GI bill's benefits which they earned in serving.

We do have one additional suggestion which is not contained in our written statement. It might be an advantage to the retention program, or at least to the program of making sure that those who are enjoying the GI bill benefits do not lose contact with the military, if your bill were to provide that those returning to or going to college under the GI bill maintain a reserve status. That way, if, indeed, we need them, they are available.

[The prepared statement of Mr. Weil appears on p.60.]

Mr. **Edgar**. Thank you very much for your statement. That was very helpful.

Major General Greenlief, we appreciate your coming today, and we look forward to hearing your statement.

STATEMENT OF MAJ. GEN. FRANCIS S. GREENLIEF (RETIRED), EXECUTIVE VICE PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

General **Greenlief**. Mr. Chairman, I appreciate this opportunity to present the views of the National Guard Association on H.R. 1400, which was favorably reported by the House Veterans' Committee 1 year ago.

We believe your committee acted wisely, and we urge the Congress to enact H.R. 1400.

On March 11, the day in which Assistant Secretary of Defense Korb announced his Department's opposition to H.R. 1400, Lt. Gen. Max Thurman strongly supported a GI bill type educational assistance incentive, as he did before your committee this morning. General Thurman, who is Deputy Chief of Staff for Personnel, U.S.

Army, is, in my view, the one most knowledgeable person on the subject of recruiting and retention of Army personnel.

As commander of the U.S. Army Recruiting Command, he developed the recruiter force and the recruiter techniques which are currently performing so well in the Army, and he knows first-hand what works best in recruiting and retention.

DOD justifies its opposition to H.R. 1400 on the basis of the current recruiting and retention success, and they note that we are living in a different world than when this discussion began 3 years ago.

We are living in a different world. Congress has provided military compensation increases, and there is serious unemployment. Recruiting and retention are always better during times of high unemployment.

The administration is predicting an end to the recession and they are predicting much higher employment rates. At the same time, some in the Congress are now suggesting a lower than planned military pay raise.

We believe these factors will greatly increase the difficulty of recruiting and retaining servicemen and women.

Opponents of H.R. 1400 make the point that the World War II GI bill was a reward provided for those who were drafted to serve in World War II rather than as an incentive to spur recruiting. We believe that it is right and proper to now reward those who volunteer for service while more affluent men and women continue their schooling or otherwise prepare themselves for civilian careers.

We believe that such a reward will constitute a powerful incentive to cause men and women to enlist even when the economy is improved and the opportunity for civilian employment is improved.

Now, the DOD is concerned that too large an educational benefit might provide an incentive for the serviceman to leave service after he becomes eligible for the benefit. Mr. Chairman, the most serious military manpower problem is the serious shortage of pretrained Army manpower available for recall in the event of active duty.

Service members who leave active duty with less than 6 years of active duty automatically revert to the individual Ready Reserve, where they remain available for recall until their 6-year military service obligation is completed, and DOD is currently recommending that that MSO be increased to 8 years.

Personnel who leave active duty to use their educational benefit are not lost to military service in time of war. They remain available even as they pursue their education.

Mr. Chairman, the Congress has led the way in developing incentives for Guard and Reserve membership, and we are appreciative of the leadership which has been and continues to be provided by this subcommittee to improve active service recruiting and retention.

We urge you to continue to press for enactment of H.R. 1400.

Mr. Chairman, earlier this morning you referred to H.R. 3997, Mr. Montgomery's bill to provide a GI bill for the selected reserve. His bill does address the specific problem of the selected reserve. Since that legislation would seek to amend title 10, I understand that it is not within the direct purview of this committee, but, Mr.

Chairman, I urge this subcommittee to strongly support H.R. 3997 if it is offered as an amendment in the House Armed Services Committee.

Mr. Chairman, again, I appreciate this opportunity to appear before you.

[The prepared statement of General Greenlief appears on p. 65.]

Mr. EDGAR. Thank you very much, and I appreciate your statement.

Robert Nolan, national executive secretary of the Fleet Reserve Association.

STATEMENT OF ROBERT W. NOLAN, NATIONAL EXECUTIVE SECRETARY, FLEET RESERVE ASSOCIATION

Mr. NOLAN. Thank you very much, Mr. Chairman.

I am here today not only representing 154,167 members of the Fleet Reserve Association, but on behalf of all active duty personnel of the U.S. Navy, Marine Corps, and Coast Guard.

As you can appreciate, they are vitally concerned and interested in the matter of a veterans' education assistance bill, and they have followed the legislative action on this subject very closely.

Speaking very frankly, Mr. Chairman, the active duty enlisted community view Assistant Secretary of Defense Lawrence J. Korb's testimony on H.R. 1400 3 weeks ago as a clear demonstration of the colloquial expression "I have some good news and I have some bad news."

The career members in our services who served during the Vietnam era are encouraged by the Department's willingness to pay the cost of extending the 1989 delimiting date on the current GI bill, but active duty enlisted members as a whole view the Department's proposal to continue the current veterans' educational assistance program with dismay. They cannot believe that after 5 years of practical experience with this almost totally unsuccessful program that now Defense would not only propose its continuance for another year, but would add the large kickers to allow further experimentation with the new ultra-VEAP.

To them, Mr. Chairman, this sounds like a plan to throw good money after bad.

The Department of Defense's statement credits the recent successes in recruiting and retention to the realistic increases in military compensation during the past 2 years. We suggest that there are also other practical factors involved in this success, such as the current status of the Nation's economy, the vastly improved techniques in recruiting, and the dedicated and professional labors of our recruiters.

We believe there is even another key factor, and that is the enlisted's expectations of a new GI bill being enacted. These reasonable expectations are clearly based on the well publicized, positive activity of all of the previous Defense witnesses and the Congress over the past 2 years.

But now, despite the fact that in his own words: "All services believe some type of noncontributory educational benefit would be beneficial to them," the Department of Defense suddenly finds a GI bill would be too costly.

Once again, we believe we are allowing the dollar sign to be the determining factor in our personnel needs. We should also consider very seriously these other factors.

What if the Nation's economy improves and the services will again be competing with the private sector for the services of young Americans?

How do we plan to meet the problem that, according to valid demographics, within several years we will have to recruit one in every three eligible young Americans?

What are the needless costs of training hundreds of thousands of new recruits each year? And what are the risks of not retaining experienced mid-level military careerists in our services?

All of these questions should be carefully considered in determining the costs, the need and value of a meaningful educational assistance program. It is clear to us that active duty personnel are most realistic and practical in their expectations of a new GI bill.

Last March just about 1 year ago I had the privilege of sitting before you and telling you what we found the active duty people told us. We are most happy that your field hearings found the same facts true. These facts that have been expressed here this morning by even the service's personnel chiefs, and we are, indeed, pleased that H.R. 1400 encompasses these provisions.

Now, back on July 29, 1975, I appeared before this committee requesting the adjustment of the current GI bill's delimiting date to avoid the problem of military careerists being forced to leave the service to avail themselves of their honorably earned education benefits. I was unsuccessful at that time.

However, now that the Defense Department has proposed a new delimiting date for qualified careerists and is even willing to agree to fund the cost, the Fleet Reserve Association urges the Congress to accept and resolve this proposal into a meaningful—we are speaking primarily of the measure that was brought up this morning of transition for those in service who already have it, and we see the rationale of your comment on that, but we do believe that we should get the delimiting date resolved fairly and equitably to all so that it can no longer be used as an excuse or a vital need to leave the service.

Mr. Chairman, we appreciate the many resources that the Congress and the Department of Defense have to evaluate the needs of military personnel. By the same token, we who lack these technical resources have one resource upon which to base our opinion. That resource is experience.

We have been there. As a U.S. Navy chief petty officer with 22 years of active military service, I can truthfully state the enlisted military community believes the Department of Defense's position on H.R. 1400 to be pennywise and pound foolish.

We see nothing costly or wrong with a policy of rewarding honorable military service with educational benefits; based on the profitable experience our Nation has enjoyed with the GI bills of the past, they have been an excellent investment for the individual service person, for the military services, and the Nation.

I thank you for the opportunity to share our views with you and I stand ready to answer the committee's questions.

[The prepared statement of Mr. Nolan appears on p. 68.]

Mr. **Edgar**. Thank you very much.

Mr. Richard Johnson, Jr., who is the national legislative director of the Non-Commissioned Officers Association of the United States.

Richard, it is good to have you here this morning.

STATEMENT OF RICHARD W. JOHNSON, JR., NATIONAL LEGISLATIVE DIRECTOR, THE NON-COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. **Johnson**. Thank you, Mr. Chairman.

We appreciate the opportunity, and I would like to start off by thanking the committee, yourself, Mr. Chairman, and the committee staff for the dedication and resolve that you have shown to this issue. It is very easy to see how this could have gotten away from us a year ago, and particularly as many times as it has been put off and as many hearings as have been held on the subject, but I think it is the dedication that you have shown and the staff of this committee has shown that will ultimately produce for us a new GI bill for the Armed Forces, and the Non-Commissioned Officers Association deeply appreciates that.

As you said earlier this morning, Mr. Chairman, we need something that is simple, permanent, and understandable in the way of a new educational assistance program. NCOA strongly supports that comment.

Toward that end, we believe that the new program will be very much like H.R. 1400, should be very much like H.R. 1400. We believe that there should be a basic benefit, a very unadorned, no frills kind of education program as we had before for GI education benefits.

We believe that we also need to extend or in some other manner bring into that program the people who are covered under the benefits under the old chapter 34 program, the old GI bill.

Mr. Chairman, the position of NCOA has remained largely unchanged during the past year, and I do not think it will benefit the committee any for me to review that position. We are dedicated to the concept of a new GI bill, and unlike last year, we are not so married to working our will on a proposal now that we want that to jeopardize passage of the bill.

We still believe that there are some things wrong in the current proposal. We do not believe in the kickers. We do not believe that 100 percent of the benefits should be transferable to a dependent.

We do believe that the proposal as it is currently constituted in H.R. 1400 will be quite costly and will some day lead to its demise.

However, there is a need for a new education program as has been stated here time and time again this morning. The need is there, and therefore, we strongly support anything that this committee can produce.

[The prepared statement of Mr. Johnson appears on p. 73.]

Mr. **Edgar**. Thank you very much for your statement and also for your help over the year and your comment last year.

Mr. Max Beilke, legislative counsel of the National Association for the Uniformed Services, our last witness for the day.

STATEMENT OF MAX J. BEILKE, LEGISLATIVE COUNSEL, NATIONAL ASSOCIATION FOR THE UNIFORMED SERVICES

Mr. BEILKE. Thank you very much, Mr. Chairman.

It is good to be back in front of your committee again.

As has been my practice in the past to be short and brief, I do not want to impinge upon that reputation. I will do the same this morning.

I have heard nothing this morning that I can argue with. I have heard nothing unimportant this morning—it all bears repeating, but I do not care to repeat it.

But I would like to focus on just a couple of broad issues. No. 1 is middle America. With the current education cuts that are being proposed in this Congress and the ones that were proposed or passed in the social security program last year, a new GI bill will give a lot to middle America, and middle America is the backbone of this country.

These are the young men and women we want in our military. As the unemployment rate goes down, the people who are educated are the ones who will go back to work the quickest or the ones who will be employed the quickest, which then leaves our non-high school graduate still with a high unemployment rate, but Congress has mandated that we do not fill our military forces with non-high school graduates.

The last thing I want to cover is the supporters of the new GI bill. We have heard support from Congressmen. We have heard it from the service chiefs. We have heard it from the chiefs of personnel. We have heard it from military recruiters, from active duty personnel. We have heard it from military organizations that represent millions and millions of military people. We have heard it from educators. We have heard nothing but success stories on the past GI bill. We have heard no failure.

I look on the other side of the fence, the people who are against or supposedly against the GI bill, and I see a very, very small force, and I do not believe it is good for this country that such a small force can stop such a proposal that has so much going for it, going for the people of this country, and going for our military.

Thank you, Mr. Chairman. I appreciate your time.

[The prepared statement of Mr. Beilke appears on p. 77.]

Mr. EDGAR. Thank you all for your statements today.

We have additional statements from the DAV and the Reserve Officers Association and the Association of the U.S. Army and a couple of additional statements that we will be putting in the record. It was important to hold the hearing today because, as Dr. Korb's testimony stood alone with he alone defending it, it sounded like there were large forces out in the real world saying no to GI education and yes to the present system.

But I think as has been summarized by many of you, we heard a different story today. We made no attempt to fine tune the statements of the uniformed officers and officials who were here. We asked them to be honest and share their personal views and to not get it confused with the directive of the Department of Defense in terms of paying for it.

I think all of us are basically saying that it is not only a valuable program but it is worth paying the few dollars because we will get the investment back many times over. As Mr. Weil pointed that out, the point should be underscored that the dollars that we expend on GI education benefits that we will get every dollar of that back in better taxes paid into the Federal Government because of higher positions that those persons will obtain because of their broader education and their broader skills.

You have been helpful to us today. I hope the weight of this testimony is able to dislodge the legislation from the Armed Services Committee. I think it will be helpful to move this bill to the House floor, pass it with overwhelming support, perhaps with some fine tuning and some modifications as you have suggested, but to get into a discussion with Senator Cranston and Senator Simpson on the Senate side to produce this legislation this year so that we do not find ourselves back here next year reinventing the testimony wheel, and we have in place a simple, permanent, predictable, common sense educational benefit that is an entitlement to all those who serve in our all volunteer military.

Thank you for your time. This hearing stands adjourned.

[Whereupon, at 11:58 a.m., the subcommittee was adjourned.].

APPENDIX

PREPARED STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

I appreciate the opportunity to testify before the Subcommittee today and I highly commend the Committee for its continued interest in providing educational benefits for our military personnel.

Three weeks ago, the Department of Defense testified before a joint hearing of this Subcommittee and the Military Personnel and Compensation Subcommittee of the Armed Services Committee. In that hearing, the Administration declined to endorse a new G. I. Bill citing improved recruitment statistics and the cost of the program. They proposed to continue the current VEAP program with a supplemental or "kicker" option through Fiscal Year 1983.

I am here this morning to tell you that despite the Defense Department's position, I am still in favor of a new G. I. Bill, and I continue to strongly support H.R. 1400.

I am not going to go into all the reasons for my support of a new G. I. Bill since I have made my position known in the past. I will just mention a couple of things which struck me as I listened to the Defense Department testify at the joint hearing three weeks ago.

First, when we talk of a new G. I. Bill, we are talking of a program that will have a major impact on military manpower for the next decade. DOD is taking a short term view of the situation; what is essentially a wait and see attitude. They want to put off consideration of a new G. I. Bill for at least a year. However, I believe that the time to act is now. One or two years of good recruiting statistics does not even solve the critical manpower shortage incurred over the last decade let alone address manpower needs for the next decade. We should act now to address the long term situation.

Secondly, I do not think DOD's proposals do much to affect the quality of life of the military member. It has been said that one way to recruit and retain quality personnel is to treat the military member as a first class citizen. I believe that to be a very commendable attitude and I am committeed to doing all that I can to further that goal. One thing that we can do to further both of these goals is to provide an educational benefit to the servicemen. I have said this before and I repeat now that the greatest thing a young person can give to the nation is military service, and the greatest thing that the nation can give to its young people is an education.

I know, and I am sure you agree, that VEAP does not and will not add to the quality of life nor make the service member feel like a first class citizen. A cash bonus program, while it may or may not be an efficient, cost effecitve method for recruiting and retaining high quality personnel, just does not add much to the quality of life. It may make the service member feel good to have a big chunk of cash in his pocket but we all know that it will only be a temporary thing. An education is something that will have a life long impact and will do more that anything else to improve that quality of life for the servicemember.

There is one thing about the Defense Department's position that I highly commend and I want to bring to your particular attention. That is their proposal to extend the 1989 delimiting date on the current G. I Bill until ten years after an eligible member leaves the service.

I have heard testimony both from the Defense Department, and from the Navy that the current delimiting date is very important to them. Statistics show that 41% of third term servicemembers listed the 1989 deadline as the primary reason they were leaving the service when asked. I think it is clear that the 1989 deadline is a serious drain on military manpower. As each month goes by we are losing highly trained, experienced personnel. This drain is serious, it is occuring now, and it is seriously affecting our military readiness. While I realize that a new G. I. Bill would take care of this situation and I will continue to press for prompt passage of a new G. I. Bill, we simply cannot wait to see if we are going to get a new G. I. Bill. I would hope that the Committee sees the urgency of the situation and I hope that we can work together to find a solution to this problem as soon as possible.

PREPARED STATEMENT OF DAVID SCHUCKERS, DIRECTOR, GOVERNMENT RELATIONS, PENNSYLVANIA STATE UNIVERSITY

The report of the Comptroller General concerning proposed G I Bill legislation is disturbing. I am sure that it is due in no small measure to the fact that a new G I Bill is largely a House Democratic proposal and they're so adamant about reducing Reagan's defense budget. Whatever the cause, failure to enact an equitable and effective G I Bill has severe implications. Further, I find the rationale for this report's recommendations substantially moot.

The report asserts that the DoD test program was, although somewhat flawed, an indicator that some benefit (in the form of increased enlistment) could acrue as a result of a "high cost" educational plan. They contend that the DoD test program was well designed though under-publicized. In fact, based upon DoD's complete mishandling of the current VEAP Program, I would maintain that any positive results from these three additional programs makes a strong case for the efficacy of educational benefits as a recruitment tool.

Our experience is that virtually no one in the military establishment understands VEAP even though it has been in effect for five years. The recruiters misapprehend it and even those enlistees who opt for it can typically find no one to explain its intricacies. To include three even more complex options in "selected" areas is to plan for failure.

To say that these test programs were under-publicized is to say the least. When you sent me the authorizing legislation, I attempted for two months to find someone who knew anything about it. The VA knew nothing, the recruiters knew nothing, ROTC knew nothing. In frustration, I directly contacted the Chief of Manpower and Training for the DoD (after failing to unearth anything at the educational HQs of all the services). I was told by this individual that the programs were in effect and that I probably hadn't heard of them because PA was not a test area. The third largest recruiting state is excluded? How this jives with the Comptroller's report which states that the entire country was tested is beyond me.

Given, then, that DoD has limited commitment to educational benefits, it is not surprising they jump on the cost/benefit bandwagon. Even they must admit, however, that to grant all enlistees $15k in enlistment bonus as opposed to $23k (this figure was pulled from a hat, I think) for educational benefits for 40 percent of the substantially reduced group who complete their enlistment (the average usage of G I Bill) is not necessarily cost effective. This admission is followed by their recommendation to test new and exciting enlistment bonuses for two years. Since they cannot demonstrate immediate return from investment in bonuses, their answer is to try harder. In 1972, when the draft ended and cash bonuses came into being, I saw reports where the Army estimated that up to 60 percent of the cash bonus enlistees were discharged within six months for undesireability. The Army estimated a $20,000 loss per man including bonus, pay and training expense. DoD may be right. While a G I Bill promotes democracy by providing a means for education and upward mobility, and encourages a cross-section of our youth to serve their country, it does not lend itself to the creation of a professional soldiery. Cash bonuses have more value in attracting the short-sighted mercenary.

A large point in the Comptroller's argument is to study the issues for a couple of years and test further (particularly since the economy is having a salutory effect on enlistment). We should, they contend, be careful and not commit to a "permanent" G I Bill. This is, of course, absurd since:

A. No G I Bill has ever been permanent- the time limit is discretionary by congressional fiat.

B. What we have now (VEAP) is as permanent as any have been. VEAP participants have ten years to use their benefits. If we were to discontinue VEAP today, any participant would have ten years from discharge to use his benefits.

VEAP has received little publicity and is terribly inadequate as an educational voucher. In spite of this, increasing numbers of vets are opting for it only to find, upon discharge, that $75 to $225 per month does not pay the freight.

The arguments against a new G I Bill are weak. In light of the needs of the services, the proven effectiveness of educational benefits in recruiting high quality youth, the elimination of general student aid by the Reaganites and thus the more pressing need for an avenue of educational opportunity, the social benefits realized by an educable military and an educated citizenry, it is no wonder that HR 1400 had 123 signatures and nearly unanimous support.

Sorry for all the editorializing. I have seen too many veterans benefit by the G I Bill not to believe that it represents the best investment in national defense ever conceived.

PREPARED STATEMENT OF FRANK E. G. WEIL, CHAIRMAN, AMERICAN VETERANS COMMITTEE'S, VETERANS AND ARMED SERVICES COMMISSION

Mr. Chairman and Members of the Committee:

The American Veterans Committee welcomes the opportunity to testify before you today on behalf of the proposed legislation to establish a peacetime GI Bill. My name is Frank E. G. Weil. I am chairman of the American Veterans Committee's Veterans and Armed Services Commission.

We testified the last two years before the Congress on behalf of such legislation, and are pleased to again support the principle of a peacetime GI Bill. We commend this Subcommittee for holding these hearings and focussing attention on the need for such legislation which would not only benefit the veterans involved, but also the nation as a whole. We also see a well-designed peacetime GI Bill as a means of assisting the All Volunteer Force attract a more representative cross-section of the nation's youth in meeting its manpower requirements.

AVC has always supported education benefits as a positive means of assisting veterans in returning to civilian life. Many of our own members have utilized past GI bills and have achieved their professional status as a result of this veterans' benefit.

The AVC platform states:

> AVC believes that experience has shown that the federal funds used to pay educational benefits for veterans have been repaid to the Treasury many times over in the form of higher income taxes collected from those whose education, financed by the GI Bill, has resulted in higher earnings.

As General Bradley eloquently stated on the occasion of the 25th anniversary of the GI Bill, the first GI Bill was an investment in human beings. The benefits to the nation from it and the bills which followed have been numerous; tangible in terms of tax dollars to the U.S. Treasury; intangible in the quality of life enhanced by higher educational attainments and subsequent professional advancement for millions of Americans who passed on these advantages to their children.

Consistent with our philosophy, AVC supported the original GI Bill. We also championed the Korean, Cold War, and Vietnam era versions of the Bill. In 1972, AVC held a national conference on the "Educational Problems of Vietnam Veterans" at which new directions for upgrading the current GI Bill legislation were discussed and formulated. AVC has always supported the World War II model of the GI Bill - providing veteran-students separate tuition and living allowances. Under this system, veteran-students were able to chose the school that best suited their needs, not the one with the lowest fees.

AVC urges now that a peacetime GI Bill be enacted. At a recent convention we added the following plank to our section on the GI Bill:

> AVC applauded the passage of a "permanent" GI Bill at the time it was adopted, and called it "a responsible means of enabling servicemen and women to return to civilian life with facility and ease at the end of their service and become useful and productive members of their communities."
>
> AVC regrets that the GI Bill is not available to those who enter the volunteer armed forces at this time, and that delimiting dates are

> preventing an increasing number of those formerly entitled to GI Bill benefits from taking advantage of those benefits.
>
> AVC favors legislation presently pending in Congress to restore the GI Bill, and hopes that its provisions will be in line with the provisions of the World War II and Korean War, adjusted for the rise in the costs of living and of education.

AVC was pleased that the House Veterans Affairs Committee last year reported H.R. 1400, the Veterans Educational Assistance Act of 1981, which was designed also to meet some of the recruitment and retention problems of the military services. During this Subcommittee's hearings, we recall that spokesmen for the services emphasized their concerns about the recruitment and retention problems they were facing. The VEAP program was not ameliorating them.

General Meyer emphasized that "turbulence" in the ranks was the greatest deterrent to readiness in the armed forces today. Admiral Zech suggested "that an investment in the educational growth of our young people, those who volunteer to serve in the military forces is an investment not only in the strength of our nation, but in a broader way, in the future of our country."

Mr. Mees, Acting Assistant Secretary of the Air Force (Manpower, Reserve Affairs and Installations) suggested that "a properly designed new educational incentive program would improve the services' ability to compete, in a deteriorating recruitment environment, for high quality young people and at the same time meet our critical retention need."

Throughout the testimonies were the stated or implied implications that the Services were having severe personnel problems, that there was distress with the difficulties in getting and holding "quality" individuals. Therefore, we were quite astonished to learn of Dr. Korb's rosy assessment of the recruiting and retention situation of the services today, and that, therefore, there was no strong need for a non-contributory educational incentive package such as the GI Bill.

Dr. Korb did point out that the "state of our economy has changed." We suggest that perhaps the deteriorating employment possibilities for young people have contributed to the apparent upsurge in enlistments. However, with such a volatile situation regarding available manpower, it hardly seems prudent to retreat from support of a non-contributory GI Bill, which has been proved to be effective in attracting high-quality personnel. If the economy improves, and we all hope it does, then it is very possible that recruitment quotas will not be met. According to most assessments, the contributory VEAP program was so little used that it cannot realistically be considered a viable recruitment tool. Beefing it up into an "ultra VEAP" program will not take the place of a GI Bill.

AVC strongly believes that in itself a peacetime GI Bill is warranted, and is in the best interests of the nation, the services, and the individuals. At the same time, enough experience has been gained with GI Bills to assure us that it is an effective instrument to attract higher numbers of high school graduates and college-bound youth. This would insure a more representative military force that is consistent with the traditions of this democratic society.

As Admiral Zech further testified last year, with a richer mix of high school graduates, there would eventually be a reduced demand for accessions because there would be lower attrition rates. The services gave testimony to their interest in having a more representative force with a richer mix of high school graduates and upper percentile enlistees.

We suggest that long-range goals and national considerations should be the basis for meeting the personnel needs of the armed services. Responding to the volatile marketplace of available young males on an ad hoc basis may at other times provide acute problems for the services. A GI Bill is needed, and has long-range pluses as well as short-term gains.

We would like to make an observation about delimiting dates. As noted in our platform earlier, such delimiting dates have foreclosed the possibility for many veterans of taking advantage of their educational benefits. In the case of Vietnam-era veterans, and no doubt other veterans, many had to delay going to school after they left service for a variety of reasons: family, health, money problems, psychological readjustment. Particularly, women veterans who often took on roles of wives and mothers which precluded them from pursuing their educational goals for a number of years, lost out on GI Bill benefits. We do not see any reason for a delimiting date for the use of post-service educational benefits, particularly since they are earned benefits. Today, the concept of "continuing education"--of going to school at any and all stages of one's life--is an accepted modus vivendi. There is no reason that we can see why it should not be operative in the case of veterans education. We hope that the Committee will eliminate delimiting dates for a peacetime GI Bill. In that way, a GI Bill would not be a problem for retention.

AVC commends the Committee for considering this important legislation and hopes that it will derive an appropriate peacetime GI Bill. We stand ready to assist the Committee in its study and review.

Thank you for this opportunity to express the views of the American Veterans Committee.

PREPARED STATEMENT OF MAJ. GEN. FRANCIS S. GREENLIEF (RET.), EXECUTIVE VICE PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

Mr. Chairman, I appreciate this opportunity to present the views of the National Guard Association of the United States on H.R. 1400, the Veterans Educational Assistance Act of 1981, which was reported favorably by the House Veterans' Affairs Committee almost one year ago. We believe your committee acted wisely and we urge the Congress to enact H.R. 1400.

On March 11, 1982, the day on which the Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics, Dr. Lawrence J. Korb, announced Department of Defense's opposition to H.R. 1400, Lieutenant General Max Thurman strongly supported a "G.I. Bill"-type educational assistance incentive. General Thurman, Deputy Chief of Staff Personnel, U.S. Army, is, in my view, the one most knowledgeable person on the subject of recruiting and retention of Army personnel. As Commander of the U.S. Army Recruiting Command he developed the recruiter force and recruiting techniques which are currently performing so well in the Army. He knows first hand what works best in recruiting and retention.

In testimony before the Subcommittee on Manpower and Personnel, Senate Committee on Armed Services, General Thurman said that while the Ultra-VEAP, VEAP with a kicker, was working well, H.R. 1400 with a built-in advantage for the Army would be much better than Ultra-VEAP.

The Department of Defense (DoD) educational assistance three-part proposal is:

1. Continue the VEAP with "kickers".
2. Extend the 1989 G.I. Bill Delimiting Date.
3. Continue the Selected Reserve Education Program.

The only new element in that proposal is extension of the delimiting date to ten years after the members release from active duty.

DoD justifies its opposition to H.R. 1400 on the basis of the current recruiting and retention success, and notes that we are living in a different world than when this discussion began three years ago.

We are living in a different world. Congress has provided military compensation increases and there is serious unemployment. Recruiting and retention are always better during times of high unemployment.

The Administration is predicting an end to the recession and much higher employment rates. At the same time, many in Congress are suggesting a lower than planned military pay raise. We believe these factors will greatly increase the difficulty of recruiting and retaining service men and women.

Opponents of H.R. 1400 make the point that the World War II G.I. Bill was a reward provided for those who were drafted to serve in World War II, rather than an incentive to spur recruiting.

We believe that it is right and proper to now reward those who volunteer for service while more affluent men and women continue their schooling or otherwise prepare themselves for civilian careers. We believe that such a reward will constitute a powerful incentive to cause men and women to enlist even when the economy is improved and the opportunity for civilian employment is improved.

We recognize that a non-contributory educational assistance program is expensive. Maintaining a volunteer military force is expensive, but it is very apparent that returning to a peacetime military draft is not politically feasible.

The existing non-military educational grant and loan programs are very expensive -- estimated to cost about $4.8 billion in FY 1981. The academic lobby is loudly protesting Administration efforts to reduce those programs. We suggest that those non-military educational grant and loan programs might be modified by requiring military service to establish eligibility. But that suggestion is also not politically feasible.

The DoD is concerned that too large an educational benefit might provide an incentive for the service member to leave the service after he becomes eligible for the benefit. The most serious military manpower problem is the serious shortage of pre-trained military manpower available for recall to active duty in the event of war. Service members who leave active duty with less than six years of service automatically revert to the Individual Ready Reserve where they remain available for recall until their six-year military service obligation (MSO) is completed. DoD is currently recommending that the MSO be increased to eight years. Personnel who leave active duty to use their educational benefit are not lost to military service. They remain available even as they pursue their education.

A series of Administrations have been insistent on the All Volunteer Force have while resisting the establishment of adequate incentives for recruiting and retention. The Selected Reserve Education Program which Dr. Korb's statement addresses was strongly opposed by an earlier Administration. It was the Congress that established the incentive programs which have permitted the strong improvement in Guard and Reserve recruiting and retention programs. In making the case for adequate educational assistance, General Thurman noted that when Congress increased the Guard and Reserve educational asistance program from $2,000 to $4,000, the number of personnel enlisting under that program increased from 500 in one year to 6,000 the next.

Mr. Chairman, the Congress has led the way in developing incentives for Guard and Reserve membership and we are appreciative of the leadership which has been and continues to be provided by this subcommittee to improve active service recruiting and retention. We urge you to continue to press for enactment of H.R. 1400.

PREPARED STATEMENT OF ROBERT W. NOLAN, NATIONAL EXECUTIVE SECRETARY, FLEET RESERVE ASSOCIATION

INTRODUCTION

Mr. Chairman and members of this distinguished Committee, I am Robert W. Nolan, National Executive Secretary of the Fleet Reserve Association. I appear today not only representing our 154,167 members but also in behalf of all active duty personnel of the U.S. Navy, Marine Corps and Coast Guard. As you can appreciate, they are vitally interested in the matter of a veteran's education assistance bill and have followed the legislative action on this subject very closely.

Based upon our previous testimony before this Subcommittee and the House Armed Services Subcommittee on Military Personnel and Compensation you are aware of the Fleet Reserve Association's continuing concern for the early establishment of a meaningful education assistance program which will attract and retain personnel in our Armed Forces. Our endeavors in support of this goal are clearly demonstrated by the "G.I. Bill Forum" which we co-sponsored with U.S. Representative Duncan Hunter last year in San Diego, California; our direct mail surveys to active duty personnel to corroborate the information we received at the forum. Additionally, we conducted another "G.I. Bill" poll during the FRA-sponsored USO 53-day tour show of the Pacific theater last fall and the constant stream of inquiries we receive on the subject via mail.

Based upon our research we are absolutely confident that a fair and equitable program will greatly assist in attracting to and retaining personnel in military service.

SERVICE PERSONNEL'S REACTION TO THE DEPARTMENT OF DEFENSE'S POSITION ON H.R. 1400

Speaking very frankly, Mr. Chairman, the active duty enlisted community view ASSTSECDEF Lawrence J. Korb's testimony on H.R. 1400 three weeks ago as a clear demonstration of the colloquial expression, "I have some good news and I have some bad news -". The career members in our Services who served during the Vietnam era are encouraged by the Department's willingness to pay the cost of extending the 1989 delimiting date on the current G.I. Bill until ten years after a member, who is eligible for the benefits, leaves or retires from the Service. But active duty enlisted members view the Department's proposal to continue the current Veterans' Educational Assistance Program (VEAP) with dismay! They cannot believe that after five years of practical experience with this almost totally unsuccessful program, Defense would not only propose its continuance for another year but would add "large kickers" to allow further experimentation with a new "ultra-VEAP"! To them, this sounds like a plan to throw good money after bad money.

The Department of Defense's statement credits the recent success in recruiting and retention to the realistic increases in military compensation during the past two years. We suggest there are also other practical factors involved in this success, such as the current status of the nation's economy, the vastly improved techniques in recruiting and the dedicated and professional labors of our Services' recruiters. We believe there is even another key factor and that is, the enlisted's expectations of a new G.I. Bill being enacted. These reasonable expectations are clearly based on the well publicized positive activity of all previous Defense witnesses and the Congress over the past two years! But now, despite the fact that in its own words, "...All Services believe some type of non-contributory educational benefit would be beneficial to them..." the Department of Defense suddenly finds out that a meaningful G.I. Bill will cost too much money!

Once again, we are allowing the dollar sign to be the determining factor in our personnel needs. We should also seriously consider these other factors:

- What if the nation's economy improves and the Services will again be competing with the private sector for the services of young Americans?

- How do we plan to meet the problem that according to valid demographics, within several years we will have to recruit one of every three eligible teenagers?
- What of the needless cost of training hundreds of thousands of new recruits each year?
- What of the risk of not retaining experienced mid-level military careerists in our Services?

All of these questions should be carefully considered in determining the cost, need and value of a meaningful educational assistance benefits program.

It is clear to us that active duty personnel are most realistic and practical in their expectations of a new G.I. Bill. Based upon their in-put to us, these are the basic provisions they unanimously believe the new law should contain:

1. Only those personnel who have completed at least one enlistment of honorable service and who are ELIGIBLE FOR REENLISTMENT should be eligible except those released for a military disability with an honorable discharge;
2. Persons serving a combination of active service and Selected Reserve or National Guard service under longer terms should receive benefits;
3. The new law must have a stipulated limiting date after the service member's LAST discharge;
4. The program should be non-contributory;
5. They adamantly oppose the linking of educational benefits to military skills;
6. They believe that maximum benefits should be earned over a period of ten years of military service;
7. All believe that the educational benefits program be accurately monitored to assure participants are adhering to strict academic

standards thus, protecting and preserving the program's scholastic integrity.

Mr. Chairman, we are aware of this Committee's field hearings on this topic and that your findings were the same as those above. We are indeed pleased that H.R. 1400 encompasses these provisions.

THE EXTENSION OF 31 DECEMBER 1989 DELIMITING DATE

On 29 July 1975, I appeared before this Committee requesting adjustment of the current G.I. Bill's delimiting date to avoid the problem of military careerists being forced to leave the Service to avail themselves of their honorably earned education benefits. I was unsuccessful at that time. However, now that the Defense Department has proposed a new delimiting date for qualified careerists and AGREES TO FUND THE COSTS, the Fleet Reserve Association urges the Congress to accept and enact Defense's proposal on extending the delimiting date. Such action on your part is in keeping with your laudable concern and beneficial actions of the past in behalf of our nation's wartime veterans.

ACCEPTANCE OF A SCALED DOWN H.R. 1400

Mr. Chairman, the Fleet Reserve Association believes the need for an equitable and meaningful education assistance benefits program is very real and justifiable. Therefore, we fully support H.R. 1400. However, we always strive to be pragmatic. We appreciate the many justifiable demands on every Federal dollar. If in the wisdom of the United States Congress, it is determined that a scaled down version of H.R. 1400 must be enacted, be assured that as long as the alternative adheres to the seven principles we have previously outlined and it contains an amendment to extend the current delimiting date of 31 December 1989 to ten years after the eligible member's last discharge, the FRA fully supports your endeavors.

CONCLUSION

Mr. Chairman, we appreciate the many resources which the Congress and the Department of Defense have to evaluate the needs of military personnel. By the same token, we who lack these technical resources have one resource upon which to base our opinions. That resource is experience, we have been there. As a U.S. Navy Chief Petty Officer with twenty-two years of active military service, I can truthfully state the enlisted military community believes the Department of Defense's position on H.R. 1400 to be penny wise and pound foolish.

We see nothing costly or wrong with a policy of rewarding honorable military service with educational benefits. Based on the profitable experience our nation has enjoyed with the G.I. Bills of the past, they have been an excellent investment for the individual service person, the military Services and the nation!

I thank you for the opportunity to share our views with you and stand ready to answer the Committee's questions to the best of my ability. On behalf of all Service personnel everywhere as well as my FRA Shipmates, I thank you.

PREPARED STATEMENT OF RICHARD W. JOHNSON, JR., NATIONAL LEGISLATIVE DIRECTOR, THE NON-COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

The Non Commissioned Officers Association of the USA, representing more than 250,000 noncommissioned and petty officers of our Nation's armed forces appreciates this opportunity to share with the Subcommittee our views on the creation of a new G.I. Bill. First, however, NCOA commends the committee for its dedication to the issue. You have steadfastly pursued this subject through all manner of obstacles. We admire and appreciate your resolve.

NCOA's position on a new G.I. Bill has not changed substantially since our last appearance before the Subcommittee on this subject. The Association still believes a new G.I. Bill is needed both for the veteran and for the services.

Concern about recruiting new personnel and retaining skilled mid-level and senior noncommissioned officers has given rise to a new school of thought on a G.I. Bill. Hence, a new G.I. Bill is not being considered for its benefit to the veteran, the service member or society in general. These once primary concerns have been subordinated to recruiting and retention considerations. As a result, the proposals have become cumbersome.

NCOA encourages the committee to go back to basics on the issue. We ask you to resist the urge to add "whistles and knobs" that may sound good but are not truly needed as appendages to a veterans education program.

A new G.I. Bill will be a valuable asset to recruiting and retention if it is not adorned with frills. Like the Constitution and good public law it must be a living document. It must be equitable, enduring, capable of withstanding challenge, and easy to understand. The key is simplicity— basics.

We believe a good basic bill is also one that will cost the least amount necessary to be successful. The benefit must be respectable but there is no sense in paying Cadillac prices for Chevrolet service. After all, a new G.I. Bill can only produce a certain number of recruits and reenlistments no matter how much money is spent on it.

H.R. 1400 incorporates the basics of simplicity in its provisions but unless its cost is reduced it cannot be enduring. Accordingly, NCOA would support the bill if it is amended to reduce its cost.

Our recommendations to achieve this goal are simple. First, provide a single basic benefit based on length of service. This approach, which was endorsed by the Congressional Budget Office, will considerably reduce the cost of the program. CBO also testified that retention, in their opinion, is not likely to suffer. We agree.

Second, we suggest making transferability of benefits a contributory program. Certainly, this is the most controversial part of the bill, and in all honesty, likely to be the least productive. It will influence a few people to reenlist but for most it will be a windfall. NCOA advocates providing assistance to service members who want to provide for their dependents education. Assistance is the operative word. We see no dependents' right or service obligation to pay education benefits and none is stated or implied in any of the bills.

NCOA is probably the only organization prepared to state its resolved opposition to a directly transferable dependents education program. The issue was thoroughly discussed at our last National Convention both in our legislative committee and on the convention floor. The issue was defeated for several reasons.

First among them was its potential expense.

Second it does not have the potential to influence many of the people the Defense Department is trying to retain. Proponents argue that the program is an absolute must to a successful new G.I. Bill. But by its design it excludes almost 50 percent of the force who are single or have not dependents. And, in our opinion, it will do little to influence those whose children are young. Certainly special pays would be a cheaper way to encourage reenlistments in critical specialties and other incentives could be universally used throughout the force.

NCOA members also focused on the many legal problems of implied ownership of the benefit if a marriage is dissolved. Another factor which rightfully concerns NCOA is the advantageous position officers would have. Since officers generally are college educated and many receive educational benefits through ROTC programs prior to accession, the bill would be a windfall not likely to improve retention.

A contributory transferability program will give servicemembers who are seriously interested in providing for their dependent's education some assistance. It will give them a vested interest in the benefit. It will prevent the program from becoming an expensive windfall to some and it might reduce the cost of the bill by as much as 30 percent. This savings if used to extend the current G.I. Bill delimiting date could have a measurable positive effect on the whole force.

As stated earlier, we will strongly support H.R. 1400 if it is amended to provide a reasonable basic benefit and a contributory dependent education program. We believe these amendments will give the bill the endurance to withstand years of service.

Mr. Chairman, NCOA has been an advocate of reinstating the G.I. Bill for several years. Last year Congress came very close to enacting a new G.I. Bill. Much of the progress that was made last year came as a result of this Subcommittee's action. Hopefully you will be able to generate passage of the bill this year.

NCOA is confident of the improvements we have suggested but we are more dedicated to the need and desire for a new G.I. Bill. Accordingly, NCOA is prepared to support any reasonable proposal.

PREPARED STATEMENT OF MAX J. BEILKE, LEGISLATIVE COUNSEL, THE NATIONAL ASSOCIATION FOR UNIFORMED SERVICES

Mr. Chairman, and members of the subcommittee, I welcome the opportunity to present the views of the National Association for Uniformed Services to this distinguished panel.

The National Association for Uniformed Services (NAUS) is unique in that our membership represents all ranks of career and non-career service personnel and their wives and widows. Our membership includes active, retired, and reserve personnel of all seven uniformed services: Army, Navy, Air Force, Marines, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration. With such membership, we are able to draw information from a broad base for our legislative activities.

The attention and interest this subcommittee is showing relative to the revival of non-contributory education benefits for veterans demonstrates its responsiveness to the needs of our young people who serve in defense of our country. You are to be commended for your efforts on this vitally important program.

Section 2210, PL 97-35 eliminated social security education benefits for children age 18 through 22 attending post-secondary schools. The FY 83 Budget proposed to eliminate Veterans' Administration education benefits for dependent children of veterans after age 18 attending post-secondary schools.

The FY 83 Budget also proposes to eliminate for children of federal employees, student benefits to conform to changes in social security benefits enacted by Section 2210, PL 97-35. This same budget proposes to restrict eligibility for higher education aid to students (grants and loans) to those most in need. It also proposes to increase the loan "origination fee" charged on new loans from five to ten percent.

Clearly, the conclusion can be drawn that education benefit cuts are aimed at middle America. The exact people we are trying to recruit for the military. It appears enactment of a non-contributory GI education bill would fill the needs of middle America and our defense posture. Without a non-contributory program and if all these proposals are enacted, only the rich can afford post-secondary school and only the poor will receive government assistance. Middle class Americans will be left with nothing.

The Administration is requesting $4.8 billion in budget authority and $6.3 billion in estimated outlays to support higher education activities in 1983. Budget authority for aid to students for higher education (guaranteed student loans, campus based aid, and Pell Grants) have increased from $3.1 billion in 1977 to $6.3 billion in 1981. This is only a reminder for it was in 1976 that the old GI Education Program was discontinued because of cost. NAUS firmly believes this nation has shortchanged our citizens in this regard. The taxpayer's education dollar is better spent on veteran's education benefits, and the GAO report HRD-82-15, December 3, 1981 adds credence to that statement. This report states that of 39,386 Pell Grant recipients surveyed, an analysis of their Grade Point Average (GPA) revealed 19.9 percent were less than 2.0 and 9.5 percent less than 1.5. For 1,845 Social Security benefit recipient, 23.1 percent had GPA's less than 2.0 and 10.8 less than 1.5. For 8,019 VA benefit recipients, 12.4 percent had GPA's less than 2.0 and only 3.5 less than 1.5. I believe it safe to say, a large factor in the GPA comparison is the maturity and motivation of the majority of those receiving VA benefits. These individuals begin post-secondary school at a later age, having spent time in the military which matured many of them and gave them some direction. Additionally, this type of individual will have more motivation and is more prone to be goal orientated than is the youngster fresh out of high school.

The need for an educational assistance program for military personnel is real. Support for such a program has been received from a broad spectrum of august groups and individuals. Opposition to a non-contributory program from a more narrowed spectrum seems to be centered on the argument that the current Veterans' Education Assistance Program (VEAP) is successful. Its success negates any need for change or institution of a new program. My only question is how successful is a program with a participation rate of 23 or 24 percent and a drop-out rate of 40 percent?

Not only that, but Lieutenant General Maxwell Thurman, Army Deputy Chief of Staff for Personnel has testified that the Army needs a GI education bill to attract college-bound youths. He has also stated, "If I had my way, I'd gladly trade in VEAP for a GI BILL." The expertise of this man cannot be overlooked. It should be heeded. I remind you that prior to his present assignment he was in charge of Army recruiting. If there is anyone who testifies on this subject that should know what it takes to recruit good people, then that individual must be General Thurman.

One cannot question the value of educational assistance as a recruitment tool. It is definitely a benefit. Whenever benefits of military service are discussed, education benefits enters the conversation very quickly. If the individual is out of the service, use of the old GI Bill is high on the list of that portion of military service most beneficial.

An educational assistance benefit has perhaps the greatest value of all benefits a recruiter can offer a prospect. The members of this distinguished panel have already heard this from everyone that has testified to date. I would however like to provide survey results provided in testimony on October 6, 1981 by Miss Evelyn Wilson, Director of Guidance, Arlington County Public Schools before the Subcommittee on Military Personnel and Compensation, House Armed Services Committee. Miss Wilson stated she had done a small survey of high school students. In response to her question, do you plan on military service after graduation? Twenty-eight replied yes and 199 replied no. To those who replied no, they were then questioned, if military service would entitle you to an education assistance benefit, would you then consider military service? Seventy-one then replied yes. This is one of the most compelling arguments that this congress enact a new educational assistance program that I have heard to date.

Additionally, I would like to point out that high school guidance counselors have as their main objective the future of their charges. They can guide them into an occupation within their capabilities or to continue education. For those individuals with college potential, but without monetary resources, military service can provide the resource. A guidance counselor can become a valued extension of our recruiters. A recruiter's job would be definitely eased because any prospect sent to a recruiter by a high school guidance counselor would already be sold on enlisting. The recruiter need but close the deal.

Of the various GI Bill proposals that have been introduced, NAUS does not support one at the expense of the others. We have found certain provisions in all proposals that we can support. Likewise, we have found some provisions we cannot support. Because of our membership, NAUS can only support a bill that treats all uniformed services equally.

Briefly, I will focus on provisions which NAUS believes should be included in any educational assistance program Congress enacts. Regardless of the program enacted, it is imperative that such a program be fundable over a long-term. We do not want a program that will be funded for five or six years and then dropped because of cost. The program must be equitable to government and individual alike.

NAUS believes a new GI Educational Assistance program at a minimum should contain:

1. Active Duty Requirement - Entitlement to minimum education benefits would be extended only upon completion of twenty-four months active duty. Those individuals released due to service-connected disabilities would, of course, be exempt from the twenty-four month minimum requirement. When one reviews the full value of these educational benefits, twenty-four months of service to one's country is not too much. Additionally, with all the indication of a possible return to the draft, twenty-four months will more than likely be the period of service required of draftees. If this nation does return to conscripted service, then the nation will be obligated to extend educational benefits to these draftees.

2. Maximum Entitlement - Thirty-six months of educational benefits should be the maximum entitlement. Most undergraduate degree requirements can be fulfilled in four school years of nine months each.

3. Allowances - NAUS believes the computation of educational assistance allowances should follow the format and scale as currently payable under Section 1682, Title 38, USC. This format takes into consideration the number of dependents and whether the veteran is enrolled full time or less than full time. Any new GI Bill should be as its name implies, educational assistance. NAUS does not believe the intent of Congress should be to provide a free-of-all-costs education program plus full living expenses. Full-time school attendance for all veterans is not desirable or feasible. Therefore reduced allowances for those who because of inclination, employment or other reasons attend school less than full time should be included in any GI Bill.

NAUS is not advocating that the current rate as stated in Section 1682 be used. It is outdated and needs to be increased.

4. Program Completion Limitation - A provision requiring that educational assistance entitlements be used within a specific time frame must be included. This time frame must commence on date of last discharge or release from active duty. A period of not less than six years nor more than ten should be established.

5. Honorable Service - NAUS believes the requirement for honorable service is not asking too much of the individual. In fact it is rather easily attained. An individual has to exert considerable effort and time to be discharged or released under less than honorable conditions. Those individuals released under less-than-honorable conditions should be denied the privilege and benefits of educational assistance.

6. Reserve and National Guard Personnel - Special provisions must be made for these valuable total force components. NAUS defers to the expertise of those organizations with membership confined to Reserve and National Guard personnel.

7. Educational Leaves of Absence - It is this provision upon which NAUS would like to focus its strongest support. Such absences or sabbaticals will not only lend itself to retention of quality personnel, it also will allow the services to benefit directly from the educationally improved service member. NAUS can think of no better return on our dollars spent on education than to return this individual to active duty. The improved retention factor plus a more highly qualified and motivated individual extends an immediate and direct benefit to the services. Our military academies and ROTC programs attest to that factor.

Educational leave of absences should be granted only to those who have completed not less than five years of continuous active duty, and not more than fifteen years. The maximum period of entitlement should not exceed twenty-four months, to be taken in either one twenty-four month period or two twelve month periods. Individual's should be paid current basic pay during this period but not basic allowances for quarter or subsistence or other special and incentive pay. Individuals would be entitled to use GI Educational Assistance benefits authorized by Title 38 if so desired.

Educational leave of absences should be restricted to those enlisted grades of E-5 and above and commissioned officer grades of 0-4 and above. This benefit should be restricted to warrant officers in the grade of W-3 and W-4, and W-1 and W-2's with five or more years active duty as an enlisted member.

Upon completion of education program, individual would be obligated to complete two months of active duty for each month absent. In the event the individual elects a twelve month absence, obligated active duty requirement must be satisfied before a second twelve month absence would be authorized.

Periods of absence would be counted for promotion and retirement purposes. If eligible, individual could be promoted during such leave of absences.

Travel pay and dislocation allowance would not be payable either upon commencement or completion of absence. Upon completion, individual would return to last duty station for assignment or reassignment if appropriate.

Application for leave of absence should be approved by Secretary of service concerned only upon favorable recommendations by the individual's immediate unit commander and commander with General Courts Martial jurisdiction. Approval should be based on needs of the service, potential of individual to complete the course of study, and relevance of such study to the service concerned.

Service secretaries should also have the authority to cancel leave of absence due to Presidential or Congressional declaration of war or national emergency or due to individual gross misconduct or unsatisfactory performance in program of education being pursued.

Individuals who entered the service, or commenced active duty January 1, 1977 or later should be eligible for this entitlement. Such a retro-active provision would entitle a few current active duty personnel to be eligible now. The provision would help retain some of the much needed middle level noncommissioned and petty officers, warrant and commissioned officers that are now leaving the service.

The support for a new GI Education Bill is universal. What isn't universal is agreement on its provisions. It is time the haggling over these provisions stop. Work should begin immediately to present to the full Congress a proposal which it can enact into law. What can be accomplished by further delay?

Mr. Chairman, this concludes my statement. I appreciate your interest in this matter and the privilege of appearing before you. At this time, I am prepared to respond to questions.

ASSOCIATION OF THE UNITED STATES ARMY

2425 WILSON BOULEVARD, ARLINGTON, VIRGINIA 22201 (703) 841-4300

26 March 1982

The Honorable Robert W. Edgar
Room 2442, RHOB
Washington, DC 20515

Dear Mr. Edgar:

Thank you for your recent letter inviting our comments on recent testimony by the Department of Defense concerning an educational benefits program for members of the Armed Forces. Like you, we were surprised by the Department's decision to continue the contributory Veterans' Educational Assistance Program (VEAP) instead of requesting a non-contributory program such as proposed in H.R. 1400.

From all the testimony at the various committee hearings on H.R. 1400, we concluded that the VEAP is not popular within the services. Only a small percentage of enlistees enroll in the program, and an even smaller percentage stick with it until discharge. We are frankly at a loss to understand the Defense Department's conclusions about VEAP unless they are drawn strictly from cost considerations and the current favorable recruiting climate. If this is true, we believe the Department is being both unwise and shortsighted. We think it prudent to be cautious about basing recruiting forecasts on present experience and, therefore, continue to urge passage of a non-contributory educational benefit for service personnel.

We support the other two major proposals of the Defense Department to extend the 1989 delimiting date on the current G. I. Bill until ten years after a member, who is eligible for this benefit, leaves or retires, and continuation of the educational incentive program for Selected Reservists.

Because we feel so strongly that a non-contributory educational assistance program is vital to the long range manpower program of the Army, we have prepared a new, updated version of our earlier testimony to your Subcommittee. I ask that you enter it in the record of your hearings to be held on 31 March.

Cordially,

ROBERT F. COCKLIN
Major General, AUS Ret.
Executive Vice President

/Enclosure

ASSOCIATION OF THE UNITED STATES ARMY

2425 WILSON BOULEVARD, ARLINGTON, VIR 841-1300

A Statement to the
Subcommittee on Education, Training and Employment
House Committee on Veterans' Affairs
31 March 1982

While all of the services are currently enjoying successful recruiting and retention rates, we are concerned that it may be only a temporary phenomenon, aided not insignificantly by the generous pay raise for service personnel approved by the Congress last fall and the high unemployment situation existing throughout the country today.

As a result, we believe it is shortsighted to predicate future personnel policy on current recruiting and retention rates. It is, therefore, the view of this Association that a new educational incentives program for the Armed Forces is necessary to meet the long range challenges of recruitment and retention of military personnel in both our Active and Reserve Forces, and adequately to man the force in the 1980s and beyond.

Whatever educational assistance is enacted, it should be remembered that there are two distinctly different, but complementary, functions to be served by educational assistance legislation: to attract and recruit bright young men and women into the Army; and, secondly, to encourage those same bright young men and women to remain in the Army.

For recruiting quality recruits for the Total Army, AUSA believes that the educational benefits legislation should include the following provisions:

- Eligibility restricted to High School Graduates with honorable service and limited to use in post-secondary schools only. Exclude officers.
- A two-year enlistment option. Most experts in the recruiting business do not believe that you can obtain substantial numbers of quality enlistments in the Active force without this provision.
- Provide entitlement for pure reserve service.
- Maximum entitlement; 36 months of education, a full four-year college program.
- Basic benefit earned on a basis of one month of education for one month of active service or four months of reserve service.
- Monthly subsistence allowance should, initially, be similar to the Vietnam Era G. I. Bill, approximately $300. However, since inflation may be very much a part of a student's life, the basic entitlement should have an automatic cost-of-living adjustment if it is to be an attractive incentive. Only minimal payouts are going to be made before the third year after enactment, or 1986. By then even the most inexperienced potential recruit will recognize $300/month will not provide much toward post-secondary school costs.

To better illustrate the costs of a college education today, we have included a sampling of tuition charges and fees at various private and state colleges and universities throughout the United States. These were extracted from the Education Directory, Colleges and Universities 1980-81, published by the National Center for Education Statistics. Those of you who have children in college know that tuition continues to rise and that room/board add significantly to cash requirements.

- In order that the individual services may be competitive in the market place, we believe that the Secretaries of the Military Departments should be granted the authority to add such additional incentives to the basic educational package to fill critical military occupational specialties as the Service may be willing to fund, and the Congress authorize. As the data in Chart #2 demonstrates, the Army must have a competitive edge to attract quality enlistees from the decreasing supply of young men. Among the four services, the Army ranks 3rd in the propensity of young men to enlist.

As an aid to the retention of quality careerists, the following additional provisions should be considered:

- Monthly subsistence allowance increased to $600 for six or more years of active service after date of enactment.
- Transfer of earned entitlement to dependent children after ten years of active service.
- Grant ten years after final service separation to complete using entitlement.
- Extend the current termination date of the Vietnam Era G. I. Bill, 31 December 1989, to ten years after final separation. This will preclude those careerists now eligible for this benefit from confronting the painful decision to leave the service in 1985 to use it or remain in service and lose the opportunity.
- Permit careerists, now eligible for VEAP who become eligible for any new educational benefit, to withdraw personal contribution, with interest.

As for funding, AUSA believes the basic entitlement for active/reserve service should be funded by the VA and all other provisions by the Department of Defense.

This incentive for military service could and should be financed without increased federal funding by use of funds available in Department of Education grant and loan programs. In fact, it is AUSA's belief that, if these programs are not significantly reduced, it is questionable if any new Veterans' Education Assistance Program would significantly improve the quality of personnel voluntarily entering the service. Not only is no service required for those other federal programs and no pay back is required for grants, but the national direct student loan program reports over $732 million in defaults. We have developed a system of educational benefits that offers more to those who choose not to serve their country than to those who do.

Despite the unwillingness of the Administration to support legislation for a noncontributory educational assistance program at this time, we belive prudent personnel management planning dictates otherwise. In fact, it was Representative Bob Edgar of the Veterans' Affairs Committee who said it best at a hearing earlier this month, when he said, "The time to fix a leaky roof is before the rains begin - when the sun is shining." We agree. The time to enact a G. I. Bill is now

23 March 1982

CHART #1

ASSOCIATION OF THE UNITED STATES ARMY

Tuition/Fees for College

The following are tuition and fees charged by a sampling of U.S. colleges and universities across the United States. For state institutions, the fees cited are for in-state students. Source: Education Directory, Colleges and Universities 1980-81.

Auburn University (State)	$720
Univ. of S. Alabama (State)	$991
Univ. of Alaska (State)	$572
Arizona State (State)	$600
Grand Canyon (Private)	$1952
University of Arkansas (State)	$600
CAL TECH (Private)	$5289
CAL Lutheran (Private)	$3100
Loyola (Private)	$4020
UCLA (State)	$759
USC (Private)	$5310
Colorado School of Mines (State)	$1282
University of Denver (Private)	$4530
Connecticut College (Private)	$5900
University of Connecticut (State)	$1068
Georgetown (Private)	$4970
Howard (Private)	$2025
UDC (DC)	$199
Bethune Cookman (Private)	$2728
Florida A & M (State)	$742
Georgia Tech (State)	$874
Mercer (Private)	$3300
University of Hawaii (State)	$478
Idaho State (State)	$470
DePaul (Private)	$3135
University of Chicago (Private)	$5100
University of Illinois (State)	$984
Ball State (State)	$975
Purdue (State)	$1008
Notre Dame (Private)	$4630
Drake (Private)	$4060

University of Iowa (State)	$830
Kansas State (State)	$764
University of Kentucky (State)	$682
Grambling (State)	$651
LSU (State)	$562
Bowdoin (Private)	$5885
University of Maine (State)	$950
Johns Hopkins (Private)	$5075
University of Maryland (State)	$884
Amherst (Private)	$6345
Boston University (Private)	$5515
Harvard (Private)	$6490
MIT (Private)	$6200
University of Massachusetts (State)	$1113
Univeristy of Detroit (Private)	$3840
University of Michigan (State)	$1468
Gustavus Adolphus (Private)	$4300
University of Minnesota (State)	$1078
Alcorn A & M (State)	$768
Mississippi State (State)	$930
St. Louis University (Private)	$3700
University of Missouri (State)	$822
University of Montana (State)	$657
Creighton (Private)	$3300
University of Nebraska (State)	$959
University of Nevada (State)	$720
Dartmouth (Private)	$6075
University of New Hampshire (State)	$1416
Rutgers (State)	$1129
Princeton (Private)	$6300
New Mexico State (State)	$708
University of Albuquerque (Private	$2850
New York City University (State/Local)	$976
Cornell (Private)	$5860
Fordham (Private)	$3750
Long Island University (Private)	$3554
State University of New York (State)	$1002
Vassar (Private)	$5375
Davidson (Private)	$4385
Duke (Private)	$4740
E. Carolina (State)	$578
N. Dakota State (State)	$633
Kent State (State)	$1174
Oral Roberts (Private)	$2110
Oklahoma State (State)	$600
Oregon State (State)	$924
Bucknell (Private)	$5561
Lehigh (Private)	$5130
Penn State (State)	$1641

University of Pennsylvania (Private)	$6000
Brown University (Private)	$6140
University of Rhode Island (State)	$1235
The Citadel (State)	$855
Furman (Private)	$3388
University of South Dakota (State)	$817
East Tennessee State (State)	$570
University of the South (Private)	$4635
Baylor (Private)	$2240
TCU (Private)	$3110
Texas A & M (State)	$489
BYU (Private)	$970
University of Utah (State)	$702
Bennington College (Private)	$7380
University of Vermont (State)	$1828
University of Richmond (Private)	$4100
University of Virginia (State)	$1042
VMI (State)	$1820
Seattle University (Private)	$3555
University of Washington (State)	$687
W. Virginia University (State)	$492
Marquette (Private)	$3620
University of Wisconsin (State)	$956

To these amounts, using as a fair example the University of Oregon, we should add, for 9 months of school:

Personal Miscellaneous Expense:		$900
Books and Supplies:		285
Room and Board:		
Single Student (Dorm)	($2250)	
Single Student (Off Campus)	($2520)	
Married Student(On Campus)	($3735)	
Married Student(Off Campus)	($5040)	

Taking the minimum case, an additional $3425 is required.

It is apparent that, in no case, could an ex-serviceman attend any college on the basis of a G. I. Bill paying only $300/month. A job, family support, savings or working spouse would be necessary and the amounts from these sources would have to be significant, practically ruling out private institutions which have sample tuition/fee costs ranging from $2025 to $7380. State institutions would require between $500 and $1600 for tuition/fees or,for a single student in a dormitory between $4000 and $5100 each nine month period -- $1300 to $2400 ro be obtained from sources outside G. I. Bill.

Having ruled out private institutions and shown that attendance at a state institution by a single student will require $125 to $275 monthly outside income, it also is clear that if non-resident tuition is added ($2300 in Oregon), the veteran is further constrained to attend school only in his state of residence.

CHART #2

YOUTH ATTITUDE TRACKING STUDY

Propensity to Serve in A Specific Service

	75	76	77	78	79	80
Air Force	20.4%	17.9%	15.7%	15.6%	15.3%	18.6%
Navy	19.6%	16.5%	15.5%	14.4%	13.4%	13.1%
Army	18.4%	14.5%	12.7%	11.8%	11.8%	13.0%
Marine Corps	14.9%	12.4%	11.0%	10.0%	10.0%	10.8%

Prepared by:

The Public Sector Research Group of
Market Facts, Inc.
1750 K Street, NW
Washington, DC 20006

The American Legion

★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006 ★
(202) 861-2700 ★

For God and Country

March 29, 1982

Honorable Robert W. Edgar, Chairman
Veterans Affairs Subcommittee on
Education, Training and Employment
U.S. House of Representatives
335 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Edgar:

This is in response to your letter of March 18, 1982, wherein you requested The American Legion's views on the Department of Defense statement of March 11, pertaining to the Administration's position on the establishment of an educational program for members of the Armed Forces. We are certainly pleased to have the opportunity to provide you with comments on our posture as compared with the Administration's stand on this important issue.

The Legion is mandated by Resolution No. 58, approved by the National Convention on September 1-3, 1981, to support legislation to authorize and fund an education incentive program to assist in the recruitment and retention of individuals in the Armed Forces and the Reserve Components. It is our position that such a program should be funded as a Department of Defense function, and be administered by the Veterans Administration, as that agency has the expertise in administering educational benefit programs. A copy of the resolution is attached for your information.

Mr. Lawrence Korb's statement to the two Subcommittees meeting in joint session proposes a continuation of the current VEAP program provided under Chapter 32 of title 38, United States Code, through FY 1983, as well as an extension of the termination date for benefits payable under Chapter 34 of the title, beyond 1989.

The VEAP program has not experienced a desirable participation rate since its inception. The latest available figures show that less than 25% of military personnel are participating in the program, and currently there exists a 40% drop-out rate. Thus, it is very unlikely that the VEAP program is doing much to draw individuals into the military service, and it is doing less to keep them there.

The American Legion could go along with an extension of the termination date of the current GI Education program if the Department of Defense were to assume responsibility for its cost. Indeed, it is likely that a small group of careerists with Vietnam-era military experience could be induced to remain in the service rather than leaving to persue educational goals. However, such an extension would have no retention effect on those would-be careerists of the post Vietnam-era period. In that regard, the retention problem of the services would remain largely unsolved.

Another important consideration is the nature of chapter 34 educational benefits. Those benefits are intended to provide Vietnam-era veterans assistance in readjusting to civilian life and to provide them with an opportunity to attain the level of education accomplished by their non-veteran peers. These individuals, having decided to make a career of the military, have also had an opportunity to use their educational benefits while remaining on active duty. Moreover, since chapter 34 benefits were specifically designed as a readjustment program, the desirability of extending it for retention purposes is questionable. For that reason, it is more appropriate to adopt a peace-time GI education program which is specifically designed for recruitment and retention purposes and which could be expected to successfully achieve its stated objectives.

The American Legion strongly supports the provisions contained in H.R. 1400 as a measure which will prevent any confusion between readjustment and recruitment/retention programs and which can be expected to work. Our only reservation concerning H.R. 1400 is that the Department of Defense ought to be fiscally responsible for the program leaving administrative responsibility to the VA.

While recruitment efforts in all branches of service have met with success in recent months, it should be recognized that significant pay increases in the last two consecutive years have been the principle cause. Recruitment problems can be expected to arise once again, in our judgement, if further pay increases are delayed and when the general economy improves.

In conclusion, we believe a non-contributory peace-time GI education package should be adopted as the best means to solving serious anticipated and current recruitment and retention problems. Your consideration of the Legion's views, as always, is appreciated.

Sincerely,

Philip Rig

E. Philip Riggin, Director
National Legislative Commission

Enclosure

cc: To each Subcommittee member.

63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 58

COMMITTEE: National Security

SUBJECT: EDUCATION INCENTIVES FOR ACTIVE AND RESERVE FORCES

WHEREAS, Congress has terminated the education program under Chapter 34, Title 38, United States Code, for those persons enlisting in the Armed Forces of the United States on or after January 1, 1977; and

WHEREAS, Congress replaced this educational assistance program with a less generous experimental contributory program under Chapter 32, Title 38, which is known as the Post-Vietnam Era Veterans' Educational Assistance Program, or "VEAP," wherein the Federal Government matches on a two-to-one basis the deposits by the individual military member to VEAP up to $5,400; and

WHEREAS, the Secretary of Defense is authorized under this program to contribute additional unspecified amounts to an individual's VEAP account above that level as a recruiting or retention incentive; and

WHEREAS, the Department of Education now provides without service requirement, direct and guaranteed student loans with minimal interest rates which do not require repayment to commence until 9-12 months after graduation with complete repayment within 10 years; and

WHEREAS, all military services are experiencing great difficulty in recruiting and retaining military personnel and it is apparent that this problem will worsen in the 1980s as the number of 18-year old men decline to 1.7 million in the latter part of the decade, thus requiring the services to recruit 50% of all military age males who are physically and mentally qualified and who are not enrolled in college in order to meet the manpower needs of the services; and

WHEREAS, The American Legion believes that educational incentives play an important part in the recruitment and retention of personnel, and any attempt to restrict or delete such benefits as a cost-saving measure would adversely affect the military services ability to meet their accession and retention goals; and

WHEREAS, The American Legion believes that the declining numbers of 18-year old men will likely force resumption of the draft, and will encourage Congress to authorize an education incentive program as a readjustment benefit comparable to those that were provided under Public Law 89-358, the so-called "Cold War Veterans Readjustment Act;" now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we urge Congress to enact legislation which would authorize and fund an education incentive program to support retention and recruiting for Active and Reserve Forces, examples of which follow:

1) As a pre-service benefit, a loan forgiveness program for direct or guaranteed educational loans by the Federal Government which would reduce or cancel such loans through honorable military service;

2) As an in-service benefit, the current 75% limitation on in-service tuition assistance could be expanded to provide payment of 90% of instructionally related expenses as well as basic tuition costs or fees in lieu of tuition;

3) As a post-service benefit, educational benefits patterned after Chapter 34, or VEAP programs, could be extended to those who do not avail themselves of either the pre-service or in-service programs; and, be it further

RESOLVED, that The American Legion recommend to Congress that any such educational incentive program be funded as a Department of Defense function but be administered by the Veterans Administration since the VA currently has staff and expertise to administer such a program.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES
FOUNDED 1899

OFFICE OF
DIRECTOR, NATIONAL LEGISLATIVE SERVICE

V F W MEMORIAL BUILDING
200 MARYLAND AVENUE, N E
WASHINGTON, D. C. 20002

March 26, 1982

The Honorable Bob Edgar
Chairman, Subcommittee on Education,
Training and Employment
U. S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

Thank you for your recent letter and enclosure thereto in the form of the testimony of Dr. Lawrence J. Korb before a joint hearing of the House Armed Services and Veterans' Affairs Committees with respect to educational benefits for the all-volunteer forces.

We, as you, are surprised at the about-face the Department of Defense has done with respect to its support of H.R. 1400, the "Veterans Educational Assistance Act of 1981." However, we are not in a position to take exception to the rationale for withdrawing their support of the bill.

Our current Resolution No. 782, among other measures, supports removing the delimiting date on eligibility for such benefits, and a copy is enclosed.

With best wishes and kind personal regards, I am

Sincerely,

DONALD H. SCHWAB, Director
National Legislative Service

DHS/ket

Enclosure

Resolution No. 782

VIETNAM-ERA G.I. BILL EDUCATIONAL BENEFITS

WHEREAS, our great organization recognized that each generation of veterans has needs different from those of earlier eras; and

WHEREAS, the Vietnam war took place during a period of vast changes stemming in part from the complexities of new technology that have created a highly industrial, urbanized society; and

WHEREAS, since the last increase in educational benefits in 1977, we have witnessed a double-digit inflation rate where the costs of education have exceeded the rate of inflation; and

WHEREAS, the returns from such programs have far exceeded the Federal investment therein; and

WHEREAS, many Vietnam veterans, for a number of reasons, have not had the opportunity to avail themselves of these benefits; now, therefore

BE IT RESOLVED, by the 82nd National Convention of the Veterans of Foreign Wars of the United States that we seek the passage of legislation to amend the Vietnam-Era Education and Training Act which would (1) extend entitlement thereunder from 45 to 48 months; (2) secure an increase in benefit levels at least comparable to the increase in the Consumer Price Index; and (3) remove the delimiting date on eligibility for such benefits.

Adopted by the 82nd National Convention of the Veterans of Foreign Wars of the United States held in Philadelphia, Pennsylvania, August 14-20, 1981.

Resolution No. 782

STATEMENT OF
STEPHEN L. EDMISTON
ASSOCIATE DEPUTY
NATIONAL LEGISLATIVE DIRECTOR
DISABLED AMERICAN VETERANS
TO THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
HOUSE COMMITTEE ON VETERANS AFFAIRS
MARCH 31, 1982

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than 707,000 members of the Disabled American Veterans, I wish to thank you for providing us this opportunity to comment on the views expressed by the Department of Defense regarding the establishment of an educational benefits program for members of the Armed Forces, which were presented before a Joint Session of this Subcommittee and the Armed Services Subcommittee on Military Personnel and Compensation on March 11, 1982.

As you know, Mr. Chairman, the Department of Defense, at the March 11, 1982 Joint Hearing, set forth a three-part proposal to:

1. Continue, through Fiscal Year '83, the current Veterans Educational Assistance Program (VEAP) and extend the so-called kicker option implemented by the Secretary of Defense.
2. Extend the current December 31, 1989 delimiting date for Chapter 34 eligibles to 10 years following discharge or retirement from military service; and
3. Continue the present educational incentive program for the selected reserves.

Like you, Mr. Chairman, we were also surprised by this proposal, particularly DOD's proposition to extend the Veterans Educational Assistance Program through Fiscal Year 1983.

The Department of Defense spokesman stated that all the Services supported an extension of VEAP because they didn't believe they could afford an expanded educational benefit program at the present time. Quite frankly, we find DOD's statement absurd, particularly in light of their Fiscal Year 1983 budget request which is up by more than $34 billion over the present Fiscal Year.

The bill (H.R. 1400) that was favorably reported by this Subcommittee last year--a proposal which would go a long way toward providing an educational incentive for military service--only had an estimated cost of $22 million in Fiscal Year '82 and Fiscal Year '83. Beginning in FY 1984 the cost of the program was projected to rise to $225.5 million. It is hard for us to imagine that the Department of Defense could not find $22 million in their Fiscal Year '83 budget for such a program.

From our vantage point, everyone except the Department of Defense agrees that the Veterans Educational Assistance Program has not had the success expected--that is, assisting the All

Volunteer Force in recruiting young men and women into the military service.

Department of Defense statistics reveal there has been low participation in the VEAP program and the dropout rate among those who do elect to participate has been alarmingly high. This situation, in our view, has led to the program being widely criticized.

According to DOD, the various military services, particularly the Department of the Army, have dramatically improved their efforts in achieving their recruitment and retention goals since 1980. They have attributed this success to the overall "benefit package"--better pay, bonuses and reimbursements, and a more realistic housing allowance--now made available to military members.

Frankly, we are pleased, as I am sure most Americans are, to hear that our Armed Forces appear to be getting the quantity and quality of personnel needed to bring our military to full strength. However, we think it is quite obvious that the reasons the military services have achieved these successes in the past two years are not solely limited to the benefit package as inferred by the Department of Defense, but rather a combination of factors.

Certainly, one cannot discount the rising unemployment rate and the economic recession that has severely affected our country over the past two years as key factors in the Services' recruitment and retention successes. Of course, no one can accurately make a judgement in this regard, particularly as to whether or not the current recruitment and retention rate will continue in the future.

It is our belief that a comprehensive benefit package, to include competitive pay, bonuses and reimbursements, realistic housing allowances and an attractive noncontributory educational benefit program will provide the military with the necessary tools to insure a successful recruitment and retention effort for the future.

As you well know, Mr. Chairman, recent history has clearly shown that noncontributory educational benefits can be effective means to attract high quality personnel into the Armed Forces, not to mention, of course, the economic return in tax dollars the country receives as the result of such an investment.

As we stated in testimony before this Subcommittee last year, the DAV believes that a noncontributory educational benefit program, such as proposed by H.R. 1400, will go a long way in assisting the military Services in recruiting and retaining sufficient quality personnel to man the All Volunteer Force now, and in the future.

Mr. Chairman, let me reiterate our concerns regarding the funding of a new peacetime GI Bill. Specifically, we object, as proposed in H.R. 1400, to the Veterans Administration's "footing the bill" for even a portion of a DOD recruitment and retention program. However, we have no objection to the VA administering the benefit, for without a doubt there is no other federal department or agency better equipped or experienced to handle the job.

Our objections to the VA funding such an entitlement program for the Department of Defense is further heightened by the increasing criticism that has been levied at the Veterans Administration budget over the past several years. I am certain you have also heard the alarm expressed over the growth of the VA budget and we know you share our concerns.

In closing, let me state quite clearly that it is not our intention to discourage the enactment of H.R. 1400. On the contrary, we think the measure would add immeasurably to the security of our nation. However, because of the severe restraint on federal spending imposed upon all federal departments and agencies and the stiff competition for program funding, we believe that the first priority of the VA is to utilize its available resources to improve and maintain the level of benefits and services provided to America's service-connected disabled veterans.

Again, Mr. Chairman, I wish to thank you and the members of the Subcommittee for providing us with this opportunity to comment on this important issue.

Reserve Officers Association of the United States

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March 25, 1982

The Honorable Bob Edgar
Chairman
Subcommittee on Education, Training
and Employment
Committee on Veterans' Affairs
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

Thank you for your letter of March 18, 1982, requesting the Reserve Officers Association's views on the statement of Dr. Lawrence J. Korb before the 11 March 1982 joint session of the Veterans' Affairs and Armed Services Subcommittees regarding educational benefits for members of the Armed Forces.

We are pleased to have the opportunity to offer our comments which follow:

ROA has testified previously that the primary objective of educational benefits for members of the Armed Forces are acquisition of service personnel, retention of members of the Armed Forces and, as an important adjunct to these two elements, the improvement of the education and quality of the servicemen and women in the Armed Services. We have also testified that the educational benefit should be noncontributory and available to all personnel after serving a minimum of 24 months.

We are pleased to note that Dr. Korb proposes to extend the 1989 delimiting date on the current GI bill until ten years after a member who is eligible for this benefit leaves or retires from the service. Legislation to accomplish this extension is essential to prevent an exodus of trained and experienced personnel who, under current law, will have to leave the service in order to take advantage of the educational opportunities presently available.

We are disappointed to note that after Dr. Korb states, "All services believe that some type of noncontributory educational benefit would be beneficial to them...," he recommends continuation of VEAP with "kickers" to permit flexibility in increasing the number of high quality recruits in areas where they are most needed.

Dr. Korb's rationale that "VEAP is a relatively low-cost program and the adverse effects of VEAP on retention are small" is in its own way faint praise of VEAP's success! As the Secretary of the Air Force's Posture statement states on p.37, "The Veterans Educational Assistance Program (VEAP) has, by its contributory nature and low benefit, proven to be a poor recruiting incentive." Or, as LTG Maxwell R. Thurman, Deputy Chief of Staff for Personnel, U.S. Army, stated on 2 March 1982 before the House Armed Services Military Personnel and Compensation Subcommittee, "A noncontributory program would doubtlessly attract more young people toward military service, strengthen our defense and improve our Nation's potential to become a more productive society."

Regarding Dr. Korb's desire to continue the current Selected Reserve Education Program, ROA has testified that Reservists should be included in a noncontributory GI bill (such as H.R.1400) with benefits earned at the rate of one month for each two months of service in the Reserve or National Guard. The entitlement would be available to all personnel after serving a minimum of 24 months and would contain provisions for part-time study.

Dr. Korb's statements regarding the improved quality of current recruits, combined with recent recruiting and retention successes, is certainly noteworthy and great credit is due to the Administration and to the Congress for taking steps, particularly in the pay area, to improve the attractiveness of service life. However, just because things have improved recently is no reason to assume that the mixture of conditions which has brought about the change for the better will necessarily continue into the future. An improvement in the civilian job market picture or a perceived reduction in military compensation could reverse the trend and bring about a rapid return to the recruiting and retention problems prevalent only a few years ago. ROA believes that the proper educational incentive program can have both a short-term and long-term positive impact on recruiting and retention while simultaneously upgrading the quality of the Armed Services.

I am enclosing for your easy reference a copy of my testimony on H.R.1400 given to the House Armed Services Military Personnel and Compensation Subcommittee on 28 October 1981.

Sincerely,

J. Milnor Roberts
Major General, AUS (Ret.)
Executive Director

JMR/la
Enclosure

National Military Wives Association, Inc.
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April 7, 1982

Mr. Chairman, distinguished members of the committee,

I am Judy Pearson, chairperson of the education study group of the National Military Wives Association. I appreciate the opportunity to once again address your committee regarding the educational incentives legislation. We believe that if the nation wants to retain quality military members and their families and also recruit new quality military members, with supportive families, they are going to need the assurance of educational incentives legislation. We feel it is vital that a provision be made for transferability to spouses and dependent children in order to retain superior career military members.

Although the military usually recruits a single person, the majority who reenlist or remain are married. Air Force members with families comprise two-thirds of their force; approximately 55 percent are married in the other services. One Air Force study states that spousal support for an Air Force career is a critical retention factor citing 70 percent of the men and 74 percent of the women would leave the service without that support. These figures demonstrate that the decision to make the military service a career is a family decision and commitment. Even though the family commits its support to the military member's decision to pursue a military career, they know there will be financial sacrifices, lack of employment opportunities for spouses, family separations, and lack of a stable life.

Recruited under the old GI Bill, the service member had something to look forward to; it was an incentive, a reward and offered security at the same time. With the institution of the All Volunteer Force, in 1976 the Veteran's Educational Assistance Program was designed as a recruitment and retention incentive, but because it is a contributory program, recruitment was not aided. In fact, recruiting high school graduates has become even more difficult since 1976.

Despite the fact that the Department of Defense states that VEAP works and is a cost effective program, all other sources and witnesses consistently cite its failure. A 23.5 percent participation rate with a 40 percent dropout rate does not speak highly for the program. While the recruit is usually single, he/she most often marries in the next few years and raises a family. Yes, the recruit might be able to enroll and contribute into VEAP, but the married member with his increased responsibilities can account for several financial factors which contribute to the poor usage of VEAP:

- unemployment among military wives is twice as high as civilian wives.
- continual moves repeatedly cause loss of money for the military family.
- separations place additional financial burdens on the family, for example, if a child is in college, added expenses are incurred to maintain a family relationship.

There is simply no extra money to contribute to a plan for the service member's future education; meeting the financial needs of everyday family life comes first. So, after spending a lifetime serving the country, the enlisted person and officer alike have no assurance they can enter the civilian world. In many cases, they are not prepared for a career as a civilian. It should be remembered that these people could be as young as 38 having served 20 years or 48 having served 30 years. At least the old GI Bill recognized the need for the enlistee and officer to prepare himself for this transition by offering an educational program.

In view of the fact that we have an All Volunteer Force, the Department of Defense, Department of Transportation and Congress must think of the military service as a career. The focus should be long-term. It is very short-sighted and very dangerous to base the decision not to implement a GI Bill on one or two years of good recruitment. This is most likely a temporary condition predicated on a poor economy and high unemployment. In just three years, there will be a 24 percent reduction in qualified males eligible for recruitment. One in three will have to join to meet manpower needs. The GI Bill is a great incentive to join the services and a good way to attract more highly motivated personnel.

But the GI Bill as previously designed is not the key to retention. It must include a provision that would allow the service member to transfer the educational benefit to a spouse or dependent child. As a retention tool, the transferability provision is vital. The service member must "earn" the benefit and, therefore, should be allowed to choose how it is used, without penalty or subsequent financial contributions. Even CBO cites that transferability would offset increased separations caused by the way educational benefits are to be used. Forty-one percent of third-term personnel leaving the Navy cite "loss of the GI Bill benefit" as a major reason for exiting. This, coupled with the fact that it costs $100,000 to train a petty officer and $1 million to train an officer, DoD should be asking "how can we afford not to offer a transferability provision?" The long-range effects of not offering it could be financially devastating.

In a recent six week trip to Europe by two National Military Wives Association members visiting 28 locations, the GI Bill and transferability provision were discussed. In all cases there was great enthusiasm about the possibility of transferring the benefit to a spouse or dependent child. It has been stated time and time again that this provision could offer the potential careerist just the right incentive to stay with the military service.

It is time to think of the military service commitment as a career. It is time to acknowledge the fact that the security and happiness of the careerist's family is vital to maintaining the necessary manpower in the uniformed services. A GI Bill is necessary to recruit these highly motivated personnel and a transferability provision is necessary to retain them. The disadvantages of imposed mobility, frequent separations, inequities in medical care and comparatively low pay could be compensated for by including the transferability provision and, at the same time, offer the careerist the security desired for his family. We feel these provisions must be made for all personnel in all services to eliminate unfairness, low morale, and competition between the services, which would occur if targeted or if the services would have to finance the program themselves.

We appreciate what you and members of your committee and other members of Congress have done to support a GI Bill with a transferability provision. Your recognition of the long-range effects it will have on the quality of the military service and the quality of the military personnel is commendable.

Thank you for providing the National Military Wives Association the opportunity to express our views on this very important legislation.

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